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Latin America Report

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LATIN AMERICAN CONFERENCE FOCUSES ON REGIONAL INTEGRATION

Railway Link Proposed

Buenos Aires CLARIN in Spanish 15 Aug 86 p 38

[Text] Tucuman--The creation of a railway corridor between Argentina and Peru will be the main issue on the agenda of the First International Conference on Latin American Integration, which will be held in this capital from the 18th to the 23rd of this month. Foreign Minister Dante Caputo will chair its opening session.

The conference, which is sponsored by the municipality of San Miguel de Tucuman and the National University in the province, is in keeping with the spirit of the agreements that Argentine President Raul Alfonsin and Peruvian President Alan Garcia signed on the occasion of the latter's visit to the country.

The conference on integration includes three activities that will take place simultaneously: an international symposium and two meetings of experts in which the following issues will be discussed: the northwest Argentina-Bolivian Andes-southern Peru railway corridor and "the reformulation of the Latin American integration process."

An agreement that the municipality and the university signed last October set up an executive committee in charge of the conference and established a technical commission, made up of specialists in the field, to study the feasibility of a regional land link.

In statements during his visit to Tucuman, Peruvian Ambassador Alfonso Grados Bertorini emphasized the economic importance to the countries of the region of establishing the railway corridor.

He also reaffirmed Peru's determination to help out with specific measures to promote the purchase of Argentine products, especially foodstuffs. At a meeting with businessmen from the province he underscored that Peru would be willing to pay differential prices that are higher than world prices for certain products originating in the region.

Mobile Pier

In another visit to the province, Alfredo Aguirre, an adviser to the Secretariat of the Presidency who is looking into the railway issue, confirmed the feasibility of a link between the two countries by building a mobile pier and a rail factory [planta de trochaje] on Lake Titicaca, the border between Peru and Bolivia.

Aguirre indicated that Argentine railroads are already connected to the Bolivian railway network and that connecting the latter to Peru's would not cost much money and would complete the two-ocean Argentine-Peruvian corridor.

As the intendant of San Miguel de Tucuman, Ruben Chebaia, indicated, the corridor is highly feasible because it is a minor project that Peru and Bolivia have already begun under the Cartagena Agreement but that regrettably is just half-finished.

In Chebaia's view, the corridor would open up a wide range of possibilities for the depressed economy of northwest Argentina and would have a multiplier effect throughout the region, inasmuch as the markets of these two countries would be available to Argentine products. He also indicated that "this is a

specific way to bring about the integration of Latin America and to promote the emergence of a common market."

Cost

According to estimates by the organizers of the conference, the construction of the railway corridor would cost some $22 million, a relatively small amount if we bear in mind the "enormous economic impact that it will have on trade between the three nations."

They also pointed out that once the link through Lake Titicaca is in place, Argentine products would have unencumbered access to Peruvian ports on the Pacific for placement on markets outside the region. This will reduce freight charges, which are currently a burden on the region's exports.

The Integration Conference is more than just an economic analysis of the railway corridor, though; it must also be viewed from a political and social standpoint.

Official circles contend that Latin American integration "is not possible without the broad-based involvement of the masses."

In this regard, a meeting of experts on the topic "reformulation of the Latin American integration process" has been scheduled. Its purpose is to analyze the experiences in this area and, consequently, to formulate a strategy for overcoming the stumbling blocks that have so far thwarted further progress.

The Program

The meeting includes dissertations on different topics by representatives of national and international institutions that are involved in the study of Latin American integration.

Among the lecturers are Dr Eduardo Schaposnik, the director of the Latin American Integration Institute of La Plata University; Jose Maria Pupo, the director of ECLA in Buenos Aires; Ricardo Campero, a representative of the Latin American Integration Association; Dr Alfonso Grados Bertorini, the Peruvian ambassador, and Victor Rico Frontaura, the integration adviser with the Bolivian Embassy in our country. among other specialists in the field.

Caputo Opens Conference

Buenos Aires CLARIN in Spanish 20 Aug 86 p 47

[Text] Argentine Foreign Minister Dante Caputo opened the International Conference on Latin American Integration in San Miguel de Tucuman, delivering a speech in which he asserted that "the integration of Latin America is a top priority for Argentine foreign policy." Caputo indicated that "integration, which has been frustrated so often, is going to give us new hope."

Tucuman--"The integration of Latin America is a top priority for Argentine foreign policy. We believe that this is the tool for consolidating national

autonomy. We must restore a sense of national pride and find a path towards sane nationalism for a strong Argentina, a precondition for which is a strong Latin America, in other words, one based on unity among all." The remarks with which Foreign Minister Dante Caputo inaugurated the International Conference on Latin American Integration in this capital reflect the fundamental conviction that prevails at the conference. However, they are also in keeping with the new strategy represented by the project that this conference is promoting. The conference is sponsored by the municipality of San Miguel de Tucuman and the National University in this province.

Interrelationship

The issue to be discussed this week at the university's cultural center is a reconsideration of the possibilities of putting together an effective process of integration among the countries in this part of the continent. The specific proposal has to do with a railway link between southern Peru, the Andean region in Bolivia and the northwestern section of our country.

It is largely the latter project that has generated optimism about the conference. It enjoys broad-based support among people who see it as an effective social and economic link, above and beyond inconsequential rhetoric.

The Argentine foreign minister alluded to such rhetoric when he said that "the experience of integration that has frustrated us so often is now going to give us new hope to cope with a tremendously difficult world."

The Project

The international conference in Tucuman comprises a symposium on "the crisis, resurgence and prospects of Latin American integration" (with speakers from different countries), and two meetings of experts, one on the "reformulation of the Latin American integration process" and the other devoted to the railway corridor that will link the Argentine Atlantic with the Peruvian Pacific and that, above all, will create permanent channels for trade between northern Argentina and Bolivia, Peru and other international markets, which in turn will benefit from quicker access to Atlantic ports.

The Peruvian-Bolivian link across Titicaca is the main facet of a program that Andean Pact technical groups have already looked into. It dovetails with Argentine interests in a region that has historical and cultural affinities and, moreover, needs to diversify its resources and provide an outlet for products that do not always find their best markets.

The opening sessions of the meetings were attended by Intendant Ruben Chebaia, rector Rodolfo Campero, the Foreign Ministry's undersecretary of Latin American affairs, Raul Alconada Sempe, and other officials. The ambassadors of Peru and Bolivia, Alfonso Grados Bertorini and Eduardo Trigo O'Connor D'Arlach, respectively, highlighted these aspects of the project at the sessions. The Bolivian ambassador emphasized that "an interrelationship that perhaps will lead to more trade has already been created among political institutions that are opening up broader panoramas." His Peruvian counterpart

talked about the importance that President Alan Garcia attaches to the meeting in this city and to the philosophy that it represents.

Approaches

Various approaches to the oft-postponed idea of integration have been brought up at the conference. Eduardo Schaposnik, from La Plata, charted a political strategy; Martin Arocena, from the Institute for the Integration of Latin America (IDB), did an analysis and assessment of the process at this juncture, and Jose Maria Pupo (ECLA) examined the financial side of Latin American development.

Today, Wednesday, a team from the La Plata Institute of Latin American Integration is scheduled to present an overview of the thinking of Argentine political leadership groups on this issue. Ricardo Campero will discuss ALADI's prospects in these times of crisis, and the Peruvian ambassador will talk about the regional crisis. Tomorrow, Victor Rico Frontaura, an adviser to the Bolivian Embassy, will present a critical analysis of the involvement of the less developed countries in integration.

The members of the executive organizing committee of the conference, Jorge Torres, Ruben Ricco and Jorge Billone, all thought highly of the opportunity that the railway link project provides for integration among the three countries, inasmuch as it proceeds securely from the specific to the general.

This aspect of the project also prompted the Foreign Ministry to lend its support to an initiative that also enjoys the president's backing.

In his address Caputo said: "To achieve regional independence we must combine the small forces of each country, and we must do this with what we have, not with what we imagine we have but do not possess." In other words, he went on to say: "Through integration we must be able to build national strength from weakness."

8743
CSO: 3348/805

COLOMBIA, VENEZUELA RESUME BORDER TALKS

PA261717 Bogota Emisoras Caracol Network in Spanish 1215 GMT 26 Sep 86

[Report by special reporter Guillermo Rodriguez from the United Nations in New York]

[Excerpts] Attention. Here is important news for Colombia: Caracol Network has learned that after a meeting lasting over 5 hours between Colombian Foreign Minister Julio Londono and his Venezuelan counterpart, Simon Alberto Consalvi, the two countries have decided to resume the talks on the delimitation of ocean and seabed areas. As we all know, the two nations have been discussing this issue for 20 years, and the closest they have come to a solution has been the Caraballeda Treaty, which was never signed because of domestic political (?differences) in Venezuela.

The United Nations has been an excellent scene, not only for the Contadora Group or to discuss financial matters--it has also made it possible for Colombia and Venezuela, through their two ministers, to resume their contacts aimed at substantial agreements on this issue in a timely manner.

Here is an important announcement: It is almost certain that Venezuelan Foreign Minister Simon Alberto Consalvi will be in Bogota in November to continue the talks that were resumed here in the United Nations. It has also been learned that Colombia will appeal for a direct dialogue with Venezuela in an attempt to reach a consensus.

It is clear that the [words indistinct] that took place here in New York within the framework of the United Nations obviously have been carried out with the reservations that characterize these actions. However, Caracol has established two important points: 1) Colombia and Venezuela will maintain an open dialogue; 2) Venezuela and Colombia are interested and willing to reach an agreement.

As he announced at the beginning of this week, Colombian Foreign Minister Julio Londono Paredes--perhaps the greatest Colombian expert on border problems--will tour the Colombian-Venezuelan border, which measures more than 2,200 km by air, sea, river, and by land. His visit to the 2,219.6-km border will not only be a different approach to international relations,

but also a personal encounter between the Colombian foreign minister and the people who live in the Colombian-Venezuelan border in places like Cucuta and Arauca, to mention just two, where Colombians and Venezuelans have been permanently coexisting for many years.

Hence, Colombian-Venezuelan relations appear to have new horizons, which are spectacular for our country and evidently for Venezuela as well, in seeking an agreement concerning Colombian-Venezuelan ocean and seabed areas.

/9604
CSO: 3348/13

SURVEY SHOWS PUBLIC LOSS OF CONFIDENCE IN AUSTRAL PLAN

Buenos Aires SOMOS in Spanish 28 Aug 86 pp 14-15

[Text] A survey of public opinion taken while the renewed outbreak of inflation was having its impact, showed that 46 percent of those polled were inclined toward a change in the Austral Plan, while 41 percent still trusted in its ultimate effectiveness, and 10 percent had no definite opinion on the matter. This was indicated in a poll taken by A & C during the third week in August among 400 individuals in the federal capital and 19 districts of Greater Buenos Aires.

The highest level of "Austral deserters" was noted among those queried with primary schooling (48 percent), while the largest number of supporters came from the stratum with university education (44 percent). Similarly, the confidence is more prominent among women (44 percent) than among men (37 percent), and among young women more than among the rest of the populace. It was also young men (56 percent) who were more inclined toward changing the Austral Plan.

As for the undecided, the highest percentage occurred among women (10 percent).

A total of 71 percent thought that inflation would rise, exceeding July's 6.8, and only 8 percent trusted that the index would decline. A surprising 15 percent tended toward thinking that it would remain the same. The pessimists were more numerous among university graduates (74 percent), and the largest number of optimists belonged to the secondary schooling group (12 percent).

With respect to these forecasts, the vast majority appears to have already formed an opinion. The "don't know" group was confined to a general average of 5 percent. The largest proportion of "undecided" was on the primary schooling level (6 percent), and the smallest, among those with university education (2 percent).

Esther Kaplan, from A & C, commented: "A widespread fear seems to have beset the population. If price control does not become strict, it is likely that we shall embark upon a widespread psychosis, with which we Argentines are very familiar."

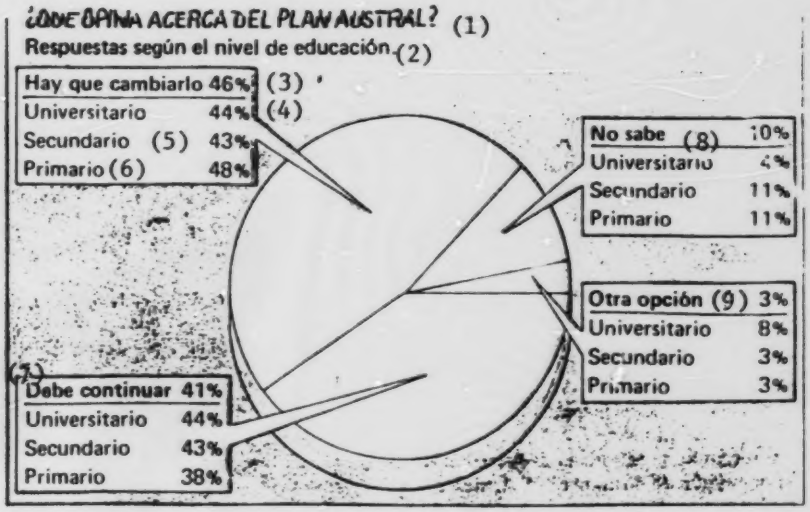
When it was time to stipulate "who is the blame for the return of inflation," 37 percent blamed the government, 22 percent thought that those to blame were "all of us," 9 percent accused business, 6 percent, the unions, 5 percent the merchants, another 5 percent the "citizen," while 7 percent did not know.

When judging business owners was involved, those polled on the university level were the most severe (20 percent), while those associated with primary and secondary schooling attached less importance to them (7 and 8 percent, respectively). By way of contrast, those with university education relieved the unions of all responsibility (0 percent), and were the most inclined toward thinking that we "all" share the blame to some extent (30 percent). The percentage of undecided was rather similar among all three educational levels.

Kaplan commented: "Adults of both sexes seem to blame the government more than the other sectors of the population. Men assume the collective blame more than women do."

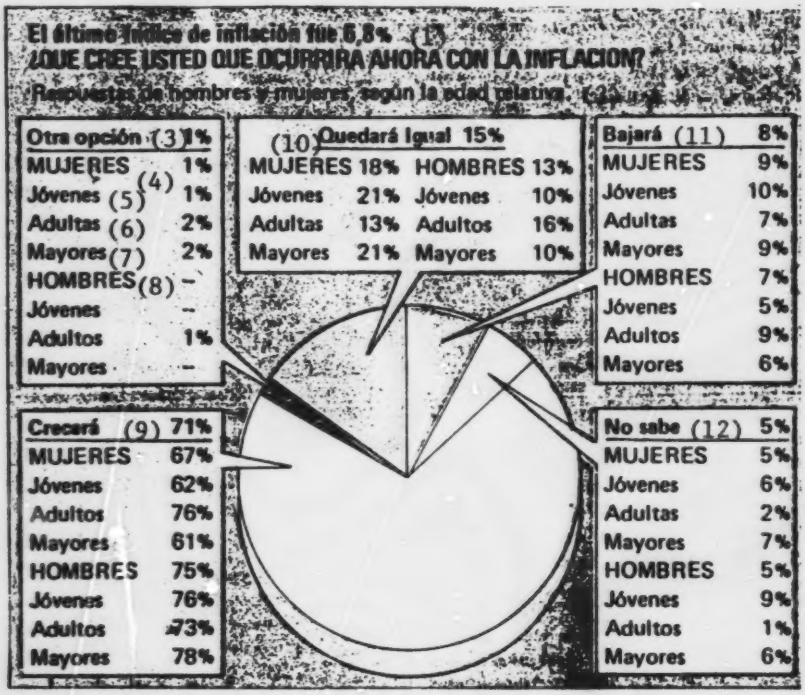
The influence that the July inflationary figures have had on the prestige of the Austral Plan and the confidence in its future prospects was noteworthy. The experts have always been concerned about the psychological consequences that such resumed outbreaks may cause, owing to the possible "chain reaction" effects and the subsequent difficulties in rapidly reversing them.

The degree of probability with which the results of this investigation should be considered is 95 percent, accepting a margin of error of approximately plus or minus 5 percent.



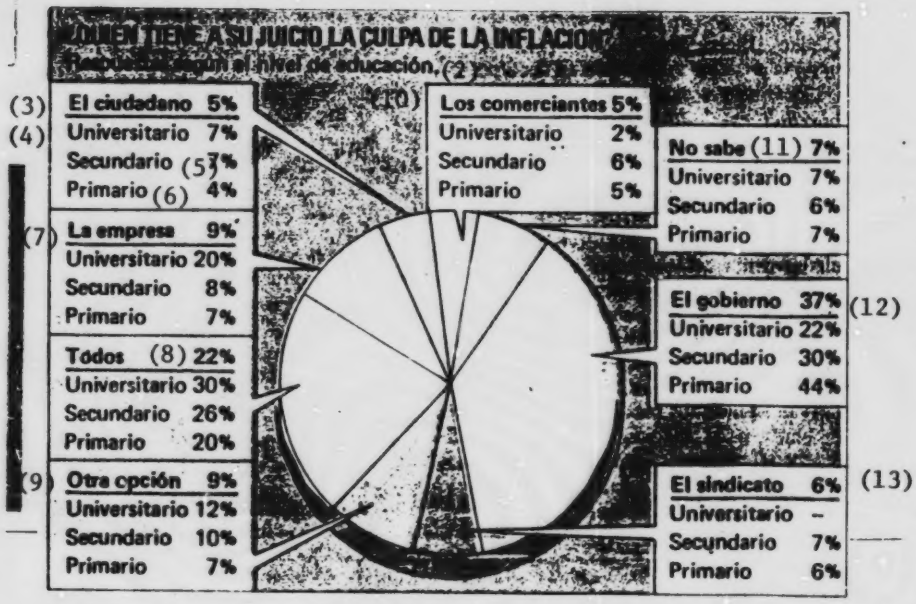
Key to Chart 1:

1. What do you think about the Austral Plan?
2. Responses according to educational level
3. It must be changed
4. University
5. Secondary
6. Primary
7. It should continue
8. Don't know
9. Another option



Key to Chart 2:

1. The latest inflation index was 6.8 percent; what do you think will happen to inflation now?
2. Responses from men and women, based on relative age
3. Another option
4. Women
5. Youth
6. Adults
7. Seniors
8. Men
9. It will increase
10. It will remain the same, 15 percent
11. It will decline
12. Don't know



Key to Chart 3:

1. In your opinion, who is to blame for inflation?
2. Responses based on educational level
3. The citizen
4. University
5. Secondary
6. Primary
7. Business
8. Everyone
9. Another option
10. Merchants
11. Don't know
12. The government
13. The union

A total of 46 percent of those polled think that the Austral Plan must change, 41 percent, that it should continue, and 10 percent are undecided (Chart 1). A total of 71 percent think that inflation will be greater than July's 6.8 and 15 percent, that it will remain the same (Chart 2). The government bears most of the blame for the return of inflation (37 percent), followed by "everyone" (22 percent). The results of what the man in the street thinks are a clearcut sign of alarm.

2909
CSO: 3348/802

ESQUIVEL DISCUSSES ECONOMIC ISSUES AT PRESS CONFERENCE

Bank, Price Rates

Belize City THE REPORTER in English 24 Aug 86 p 1

[Text]

The interest rates which local bank in Belize charge borrowers for the use of money is "ridiculous" in the eyes of the Prime Minister and Minister of Finance, Manuel Esquivel.

Dr. Esquivel made the comment during his news conference last Wednesday in response to a question put to him by the Reporter.

The quarterly report of the Belize Central Bank shows that the local banking system is bulging with reserves of $66 million up to the end of March 1986. Yet bank charges for interest continued to remain high. Wasn't it time for interest rates to start coming down, the Prime Minister was asked.

"Yes", Mr. Esquivel replied. He pointed out however that the government does not control the interest rates that banks charge. This rate is fixed by the banks themselves. The government merely sets the level of interest that banks should pay depositors, that is persons holding savings accounts. This interest on savings ranges from 10 to 12½ percent.

Commercial banks in Belize, the Prime Minister said, were charging 20 and 21 per-cent rates while paying out an average of 10 per-cent - insisting on a ten per-cent spread. This was too much, Mr. Esquivel said.

In the Central Bank's quarterly report the bank notes a significant fall off in domestic credit and blames it on "the high level of real interest rates in Belize compared with rates on international markets and the local level of activity in the (local) economy."

Commenting on a wide range of subjects the Prime Minister mentioned, among other things, that Belize had experienced an overall reduction in the consumer price index for the first five months of 1986. Consumer prices had dipped noticeably in the categories of food and clothing and had shown some increase in the miscellaneous category. Overall he said, the

Consumer Price Index had showed an overall decrease of 1.1 per-cent.

In the area of government revenues, the Prime Minister said the situation was still too close for comfort. It was taking time for the government income to catch up with its level of expenditure, he said, forcing government to depend on Treasury Bills to keep things in balance.

On the question of government help for local industry, Mr. Esquivel said government would not support any local industry which did not produce acceptable merchandize. In a specific reference to exercise books, he said, the government did not consider it reasonable to ask the Belize public to support this product at a price much higher than the imported equivalent.

PUP Organ's Criticism

Belize City THE BELIZE TIMES in English 24 Aug 86 p 1

[Text]

With his head high up in the clouds Prime Minister Manuel Esquivel today stated at a press conference that the cost of living in Belize has gone down. Mr. Esquivel claimed that according to the Consumer Price Index prepared and published by his Government, the cost of certain food items had decreased.

In an obvious reaction to the growing discontent and disenchantment by the Belizean people to the UDP misguided economic policies, Mr. Esquivel portrayed an "all is bright and beautiful" picture.

But no amount of packaged statistics could lend credence to the Prime Minister's statement coming at a time when the Belizean economy is near paralysis, business activity in recession and unemployment reaching unbearable levels across the country.

When he was questioned by THE BELIZE TIMES Editor about the present rate of unemployment, Mr. Esquivel's reply was that he had "no idea". It is a known fact that with the closure of the Libertad Sugar Factory, the killing of the the BELCAST expansion project, and the sucking up of the money supply by the Government out of the commercial banks, and the failure of all the expected multitude of foreign investors to materialize, the Esquivel regime has pushed Belize to its highest unemployment level in over a decade.

Among the young, 18 to 30 years of age, the problem is particularly acute and the unemployment rate is estimated as high as 40-45 %.

The cost of certain food items has maintained their levels - no thanks to the UDP Government but simply because they are imported from Mexico and abroad where because of a series of devaluations and the recession the rate of inflation has been kept low. Belize has further been reaping the benefits of the major fall in the world price of imported fuel, but many of these reductions have not been felt by the consuming public because Mr. Esquivel has taken most of it in the form of increased taxation.

Since taking office the UDP Government has imposed a series of stiff tax measures. The cost of borrowing was increased when Mr.

Esquivel raised the prime lending rate from 12 % to 14 % . The cost of imported goods was hit by increases in stamp tax going from 8 % to 12 % . Custom duties have also been raised several times, the latest being a sweeping 15 % increase last month. Postal rates are up, port charges up, registry fees up, excise on soft drinks and beer - up and house rents have been skyrocketing in many quarters.

Yet, Mr. Esquivel says it's alright. just grin and bear it !

/9317
CSO: 3298/003

PUP PAPER CHARGES NATIONAL CELEBRATION 'BLATANTLY PARTISAN'

Belize City THE BELIZE TIMES in English 24 Aug 86 pp 1, 12

[Text]

In July 1986 the Leader of the Opposition sought a meeting with the Prime Minister to discuss the possibility of holding bi-partisan National Celebrations this year.

They met on July 24th. At this meeting the Prime Minister handed him a document entitled "National September Celebrations Committee". The Opposition Leader undertook to consult with the PUP Executive and to give the Prime Minister his comments on the document at a subsequent meeting.

Shortly after the meeting and before any reply could be given, the Government published the document on the Radio and in a certain section of the press as the official and concluded position of the UDP Administration on the National Celebrations.

In these circumstances it is abundantly clear that the Esquivel Government is not acting in good faith and is not in the least bit interested in bi-partisan celebrations.

The theme for the celebrations unilaterally chosen by Belmopan is blatantly partisan and far from seeking to unite the Belizean people on the occasion of the 5th Anniversary of our Nation's independence, is designed to divide us along party lines.

Furthermore before our committee members could participate in any meaningful dialogue, the composition of the celebrations committee and the nature of the respective events were predetermined.

Such autocratic and high handed actions are clearly not intended to encourage unity, goodwill and cooperation.

The Peoples United Party regrets that the UDP administration has made it impossible for us to achieve even a bi-partisan ceremony for our National day of freedom.

As soon as preparations are finalised, our Party will make known its programme to celebrate the fifth anniversary of our independence.

RELEASE

Central Executive, People's United Party

/9317
CSO: 3298/003

BRIEFS

DRUGS SQUAD PROPOSAL--Home Affairs Minister Mr Curl Thompson has promised that government will do more for the Belize Police Force, giving it the manpower, vehicles and equipment it needs to do its job. But he exacted in return a pledge that Belize Police will "urgently polish up" their image and work at improving morale within the force. The Deputy Prime Minister was speaking to senior members of the Police Force last Monday at a meeting of all Formation Commanders at the Police Training School in Belmopan. Minister Thompson spoke of the need to establish a Police Drug Squad to combat the rising tide of drug use and drug trading and of the need to upgrade Police intelligence resources. The plans for the future, he said, involve the building of a new Police Headquarters in Belize City, construction of new police barracks and improvement to the quality of police vehicles and equipment. [Excerpt] [Belize City THE REPORTER in English 17 Aug 86 p 1] /9317

PARAQUAT PROBLEM--Corozal Town, Sun, Aug 24--Information received by this correspondent reveals a shocking tale. According to our usually reliable source, recent spraying of marijuana fields with paraquat is taking its toll not only on the illicit crops but also on cultivated food crops. Our source continues that a certain farmer who resides on his farm along the Northern Highway near Orange Walk Town has become a victim of these recent sprayings. His field became affected when paraquat droplets from nearby spraying blew across his farm. But the farmer did not take his misfortune lying down. He went to Belmopan to lodge his complaint and was rewarded for his effort. He was compensated some twenty seven hundred dollars ($2,700. Bze.) and promised a supply of groceries weekly, the value of which is undisclosed. In return he should keep his mouth shut about the incident. It is understood that the deal was struck between a top ranking Cabinet minister and the farmer, and it was mutually agreed upon. Among this farmer's crops destroyed by the paraquat spraying were papayas, tomatoes, plantains, bananas and many more food plants. [Text] [Belize City AMANDALA in English 29 Aug 86 pp 5, 8] /9317

CSO: 3298/003

RESTRICTIONS ON ARMS SALES TO IRAN, IRAQ DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 28 Aug 86 p 18

[Article by Roberto Godoy]

[Text] Brazil is not selling arms to Iran; but this does not mean that Iran does not have Brazilian weapons. In fact, just as Iraq (which is a major client of the national military equipment industry) is currently operating with American 175 mm guns, the Teheran Army has incorporated several dozen armed units on wheels with a 90 mm gun of the "Cascavel EE-9" type (both types of equipment the spoils of war).

The Iranian newspapers often report the success of the troops in that area, or the recovery of weaponry lost or abandoned by the enemy, which ends up reinforcing the arsenals of Ayatollah Khomenei's fighters. In fact, the stringent line of action on the part of the Foreign Affairs Ministry toward the war in the Gulf is being obeyed "without any slips," according to a direct adviser of Ambassador Paulo Tarso Flexa Lima, the secretary general at Itamaraty. That official directive stipulates that the Brazilian firms in the defense sector may not sell to both sides of the conflict.

An attempt to circumvent that ban tried by one personally prominent arms manufacturer in 1983, when thousands of hand grenades were supposed to be exported to Spain, but continued on to Iran, was foiled by the Foreign Ministry; and the factory, in Rio de Janeiro, had its license to product military equipment cancelled, and shut down its activities shortly thereafter.

At the present time, according to the London Institute of Strategic Studies, Teheran's army is using 130 Brazilian armored units captured from Iraq on the battlefield. It is surprising that the United States authorities did not know about this; unless the assertion made by the director of the agency in charge of arms control was political, and thus intentional.

2909
CSO: 3342/6

SIX FIRMS COMPETE FOR DEVELOPMENT OF FIRST ANTITANK MISSILE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Aug 86 p 2

[Article by Roberto Godoy]

[Text] Next Monday, the Brazilian Army will receive the tenders from the six firms invited to participate in the confidential bidding competition for the development and construction of the first national anti-tank missile. The bidding calls for the initial purchase of a group of from 400 to 500 units of the desired weapon, the known specifications of which indicate that it is, in principle, a device of the "Milan" class, a joint French-German design. Guided by wire, but able to incorporate a semi-automatic terminal guidance system, the missile is due to be ready within a maximum period of 10 months reckoned from the date of signing of the contract. The intention of the land fleet is to acquire self-sufficiency in the sector by 1988. The basic order, depending on the equipment's final configuration, is estimated as costing between $1 million and $2.5 million, the equivalent of 10 percent of the cost of establishing the manufacturing line in the country.

The investment will have to be based on the incorporation, the terms of the proposal for which prove to be the most suitable, even insofar as sales abroad are concerned. There are two different policy lines involved: one upholding the acquisition of the European technology (in the case of the "Milan," from the French firm Aerospatiale), and another holding that the level of development of the national military equipment industry already allows for the creation of a missile based on its own concept, with a high degree of sophistication; for example, with a laser guidance system, operating at supersonic speed. Yesterday, an engineer associated with the Ministry of Army's research area commented: "This may perhaps mean a 2-year delay relating to the mere transfer of foreign know-how; but, on the other hand, the end result would be a system the same as that of the top international line."

The leading competitors in this contest are Engemissil , ENGESA's (Specialized Engineers, Inc) newest subsidiary, and Avibras Aeroespacial [Brazilian Aviation Aerospace]. Both will have to put bids on the table for the evaluation by the ministerial commission, but they are making a great mystery out of this. Avibras announced yesterday, through its spokesman, that "it is studying the matter carefully." And Engemissil acknowledged "the group's interest in the bidding."

Argentina

In South America, at the present time, only Argentina maintains a program for anti-tank missile development. Since 1978, the Cordoba military factories have been supplying the infantry with the "Mathogo," now in its third version; it can be fired by a single soldier, by an attack helicopter, or by attack airplanes to land. With a maximum range of 2,000 meters, guided by wire and with but few electronic devices, it was used "with relative success" against the British troops during the Falklands War in 1982. Later, it underwent a revitalization process, becoming more accurate and sensitive to controls.

At the end of the 1970's, Brazil also executed a project for the construction of a light missile, inspired by the German "Mamba 2000." The undertaking was transferred during the primary phase from the Army's Technological Center to Avibras Aeroespacial, in Sao Jose dos Campos, and was improved by the company, with the designation "AV-X-I," and it was formally introduced in 1982. There has been no report of regular manufacture, but the Army has approximately 300 units of the "Cobra." imported from West Germany, in the category of "technology sales."

The producers' club is relatively large, The United States, the Soviet Union, France, Great Britain, Germany, Switzerland, Israel, Italy, Japan, Sweden, and Taiwan are vying for the market, with 17 different types of missiles, some of which have as many as four versions. The reason for this interest is the low unit price of the weapon, making the product attractive to virtually any nation. Strictly speaking, the costs range between $2,000 and $5,000, with the exception of certain very long-range models provided with radar; which are, moreover, not for sale, being allocated for the exclusive use of the armed forces in the countries in which they were developed. It is the lowest category of "intelligent" weapons. In comparison, an anti-ship missile, such as the "Exocet," is priced at $1.2 million each.

In the event that the Ministry of Army should opt for nationalization, albeit partial, of a system of the "Milan" class, within a few months it would be ready to test a missile which, designed in 1960, managed to overcome the technological time-lag by incorporating innovations such as the thermal image intensifier, an accessory that makes it possible to "see" in the dark, through the heat of bodies or objects being observed.

2909
CSO: 3342/6

GROWTH, STRENGTH OF UDR NATIONWIDE DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Aug 86 p 3

[Text] Its leaders proudly claim that no other Brazilian entity has grown so much in such a short time. Founded a year ago, the Ruralist Democratic Union (UDR) has already won 13 states and nearly 25,000 members. And now, next Sunday, it is preparing to elect the group's president in Sao Paulo, who will be selected by representatives of the state's six regional offices.

Here, as elsewhere in the country, ranchers and rural producers are attempting to become organized, frightened by the directions of agrarian reform. For example, the Presidente Prudente regional group alone, created in December of last year, has 400 members, and its head, Roosevelt Roque dos Santos, upholds a reassessment of the government's agrarian reform plan: "It is absurd to penalize the land owners."

National vice-president of UDR, and cited as a likely president of the group in Sao Paulo, he does not conceal the fact that he is bent on creating an awareness among the class, so that it will back candidates in the November elections who are committed to the defense of free enterprise and private property. Gilberto Adrien, UDR's president in Media Sorocabana, goes further: "We are alerting the class against leftist personnel who will attempt to stipulate in the Constitution the limit of 100 hectares of land for each owner."

Adrien calls attention with statistics to show the strength of the rural producers. "Brazil is the eighth-ranking world economy, and the country's 4.5 million rural producers are responsible for 54 percent of this economy." And he dreams of the day that UDR will have a million members. "At that time, we shall indeed stipulate the nomination of the minister of agriculture for president of the republic." In his view, a rancher has two passions, women and land, "and they have been stirred by the latter."

Meeting in an office in Brooklin, as they do every week, Roosevelt Roque dos Santos, Gilberto Adrien, and four other Sao Paulo UDR representatives complained of the image of "a great national villain" attributed to rural producers. "Today, we are being blamed for everything," remarks Roosevelt. "While big businessmen are accorded prestige, we are persecuted, and blamed for the country's poverty, for the lack of meat and milk."

Armed with photographs and printed material, the land owners score "the fabricated camps" in the interior part of the state, to force expropriations on an emergency basis. "Our entity is crystal-clear; the resources that we have are a result of auctions of oxen, goats, sheep, and even chickens. But who is paying for the land invasions? Who is feeding those who are camped? What are the goals behind all this?" reacts Adrien.

Roque dos Santos says that UDR sent a telex to the Embassies of Italy, the Netherlands, Belgium, Germany and France. To each one, it repeated the same question: It wants to know whether there are entities in these countries which are sending money to Brazil and, if so, for what purpose. Thus far, it has not received any response; but neither Roque nor his companions doubt that the agrarian reform " is being nurtured by politico-ideological movements."

'Sarney Fell Into the Trap'

According to these rural producers, President Sarney is being dishonored by members of his own government. Roque dos Santos recalls that the president "fell into the trap" in the affair involving the Sao Joaquim Ranch, and has done so now, in the case of the Lagoinha Ranch, in Presidente Epitacio, which was expropriated "even though it was productive." Result:"With the knife at his throat, no one wants to invest in his properties any more."

Gilberto Adrien thinks that the Brazilian left is trying to repeat the history of other communist countires. "It wants to enter by way of the rural area, but it was not expecting to encounter us facing it." According to Adrien, the record of the current INCRA [National Institute of Land Reform and Settlement] coordinator in Sao Paulo, Jose Ely Savoia da Veiga, is "strange" to say the least. "In 1968, as a university student, he was arrested. He belonged to the Red branch of the PC do B [Communist Party of Brazil] between 1969 and 1971, and lived as an exile in Portugal, where he helped to devise the agrarian reform plan, and was dismissed, because he was considered too radical."

In addition to discerning enemies in the ranks of the government itself, UDR is greatly concerned over the activity of the Pastoral Land Commission (CPT) organized by the Church. Adrien attacks by saying: "The salvation of souls is of little importance and the kingdom of heaven does not concern these bishops and priests in the CPT. What matters is the invasion of land, primarily on an emergency basis. In the pulpit, they talk about agrarian reform, and not Christ."

From the briefcases that they carry, Roosevelt Roque dos Santos and Adrien bring out the "evidence" of the Church's action: a text for worship and hymns entitled "We Shall Not Give Up the Struggle for Land and Bread." And further: a Mato Grosso do Sul rancher sent UDR a book for adult literacy prepared and distributed by the MEC [Ministry of Education and Culture] that is "entirely politically oriented."

In the chapter entitled "Land," Adrian shows, there are questions and statements "with ulterior motives," such as: "Does Brazil have land for everyone?"

or, "The people want entitlement to land." The conclusion of the rural producers is: they are not the ones interested in inciting to violence or in radicalizing agrarian conflicts. Roque dos Santos: "The public will realize who wants democracy in the country. For example, we did not foster the violance at the doors of TV GLOBO on the day of the debate between the candidates for the state government."

The attorney and UDR adviser, Eneas de Oliveira Vianna, is pessimistic. "All these maneuvers will end up interrupting the process of production established in the country, which is now being developed at the cost of each producer's effort. We are not unaware of the fact that there is a small portion of excluded people, but if the land ends up in unprepared hands, the population will undergo hunger."

'New Pioneers'

The rural producers insist that UDR is not opposed to agrarian reform, "but it must begin with the idle and vacant land, which is not lacking in the country," declares Waldo Silveira Junior, vice president of UDR in Ribeirao Preto. He goes on to say that the socialization of the poverty in the rural areas will not solve any problem. Moreover, he asks: "Why must the settlements be made close to the urban area where the beneficiaries reside? In fact, they are trying to repress the new pioneers."

2909
CSO: 3342/6

RESEARCH ON ALUMINUM OXIDE ARMOR

Rio de Janeiro REVISTA MILITAR DE CIENCIA E TECNOLOGIA in Portuguese Jan/Mar 86 pp 28-33

[Article by Tulio Pinaud Madruga: "Alumina as Ballistic Armor"]

[Text] Introduction

Wilkins and Wilkins et al. stated that, during an impact, compressive stress is transformed into tensile stress and that such tensile stress is responsible for failure. They also stated that loss of ductility in traction is responsible for the existence of this disastrous tensile stress and that materials with high compressive strength almost always have low ductility properties.

In studying the fracture behavior of rolled steel agglomerates for use as armor, Suarez stated that it is important to consider increasing tenacity without reducing the material's ability to withstand penetration and that the material must therefore have a high degree of hardness and tenacity to enable it to absorb the shock of a ballistic impact.

The author of this article also believes that essential characteristics of a material to be used as ballistic armor should be a high degree of both hardness and tenacity.

Within this focus, alumina is a material with a high degree of hardness, due to the nature of its chemical bonds, but one which, in contrast, has low tenacity. The following table compares alumina's mean values with other materials used as ballistic armor:

Fracture Tenacity

Material	K_{IC} ($MPam^{1/2}$)	Hardness in Mohs
300 M[4] steel	62	6
SAE[5,6] 4140 steel	66	5
Alumina	5	9

It seems clear from the data listed above that if the tenacity of alumina can be increased, we would definitely be on the way to obtaining a good material for use as ballistic armor. This idea is corroborated by Xavier and Costa, who have demonstrated the application of different aluminas as ballistic armor for tanks, military aircraft and ships, and have provided results of mechanical and ballistic tests using test specimens taken from sintered alumina plates obtained from various Brazilian and foreign suppliers.

The purpose of this article is to show the relationship between fracture tenacity and material parameters, and to comment on the possibility of increasing the former. I also wish to show what has been done at the IME [Military Engineering Institute] in this direction, what is being done there, and what we hope to do.

Theoretical Bases

Griffith, cited in Lawn and Wilshow, established an equation, shown below, that expresses the relationship between material parameters, the defect causing fracture, and the maximum stress causing fracture:

$$\sigma_c = \frac{1}{Y}\left(\frac{2E\gamma_i}{a}\right)^{1/2} \qquad (1)$$

where:

σ_c = critical fracture stress
Y = form factor
γ_i = specific energy of fracture
E = modulus of elasticity
a = defect causing fracture

Fracture mechanics provides an equation that expresses the relationship between the defect of the material (a), subjected to a critical stress σ_c, and a parameter of the material, which is the critical factor of fracture tenacity, I(K_{IC}), expressed by:

$$K_{IC} = Y\,\sigma_c\sqrt{a} \qquad (2)$$

Substituting σ_c, given in equation 1, into equation 2, we have:

$$K_{IC} = (2E\gamma_i)^{1/2} \qquad (3)$$

where fracture tenacity is a function of material parameters. Therefore, in order to increase tenacity, it is necessary to increase E and γ_i.

The microstructure has little effect on the modulus of elasticity. Basically, the modulus of elasticity varies with the porosity of the material. Mackenzie, cited by Gitzen, suggests that this variation is described by the equation

$$E(P) = E_o(1 - 1.9\,P + 0.9\,P^2)$$

in which:

E_o = modulus of elasticity of nonporous material
$E(P)$ = modulus of elasticity as a function of porosity

Thus, by reducing porosity, K_{IC} is increased.

It is possible, however, to increase the value of E by using a fiber reinforcement, thus producing an agglomerate material, as shown in the following figure:

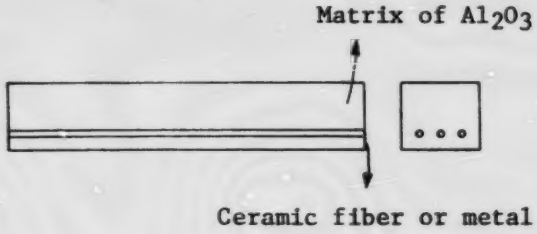


Figure 1. Alumina matrix reinforced by fiber

in which the load is transferred from the matrix to the fiber by Hook's equation. The reinforcement can be evaluated by using Voigt's equation, cited by Meyers:

$$E_c = E_f V_f + E_m V_m \tag{4}$$

in which E_c is the modulus of elasticity of the agglomerate, E_f is that of the fiber, E_m is that of the matrix, while V_f and V_m are respectively the volumetric fractions of the fiber and matrix. It may be noted that for there to be an increase in the value of the agglomerate's modulus, this formula requires the value of the fiber's modulus to be greater than that of the matrix. It is also interesting to consider that the load is transferred to the matrix by adhesion forces between the fiber and matrix.

The specific energy of fracture, which is that required to initiate propagation of the crack that will cause the fracture, can be increased in various ways. For example, reduction of porosity also increases the value of γ_i since, on encountering a pore, the crack propagates without any resistance, as shown in Figure 2.

The equation determining this effect is:

$$\gamma_i = \gamma_{i,o}(\exp(-KP)$$

in which $\gamma_{i,o}$ is the nonporous value and K is a constant of the material, which is 4 in the case of alumina.

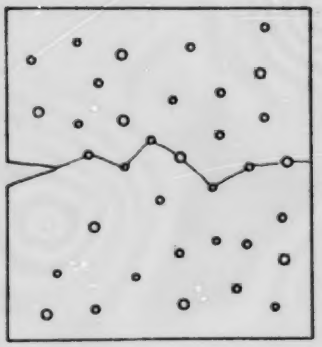


Figure 2. Crack propagation in porous ceramic

Grain size and the level of impurities in the vicinity of grain affect the value of K_{IC}. The smaller the grain size, the larger is γ_i, likewise the lower the level of impurities in the vicinity. The explanation is that grain acts as a defect which, when reduced, increases mechanical strength (see equation 1), and that a grain-free environment favors a transcrystalline fracture, which has higher energy than an intercrystalline fracture.

The presence of second-phase particles can increase the value of K_{IC} by as much as 1.5 times, impeding fracture progress (crack front pinning). This effect is determined by the volumetric fraction of particles, the distance between particles, their diameters, etc.

A very interesting effect for increasing K_{IC} by a factor of 3 to 4 is the introduction of small cracks in the microstructure. This effect, studied by Clausen in the case of alumina, consists of producing a series of microcracks distributed throughout the material. The main crack, on propagating, subdivides as a result of a crack branching effect, increasing the material's energy of fracture. This effect is illustrated in Figure 3.

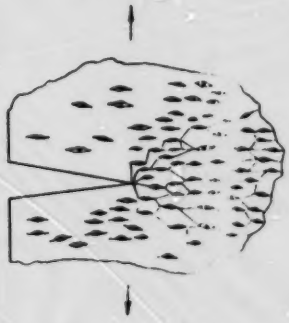


Figure 3. Crack branching effect

In the case of alumina, these cracks are obtained by mixing with approximately 15 percent ZrO_2, which is disseminated in the alumina matrix.

If we heat the material to about 1,500°C, the zirconium changes from its m allotrope to its t allotrope, increasing in volume by 3 percent. Since the matrix is still in the elastic state, this increase in volume causes thousands of microcracks, which will surround the ZrO_2 dispersion when it reverts to the m allotrope, as shown in Figure 4.

Alumina containing an m-ZrO_2, following production

Alumina containing a t-ZrO_2

Alumina containing an m-ZrO_2, following cooling

Figure 4. Appearance of microcracks caused by allotropic variation of zirconium with temperature

Another interesting effect occurs when a polycrystalline ceramic containing a vitreous phase is produced. The second-phase particles tend to occupy dihedral angles and disseminate in the vicinity of grain. Rapid cooling can promote an increase in tenacity. This increase is attributed to residual compressive stresses produced in the plate's interior. These stresses cause plastic deformation of the still hot interior during the initial stage of rapid cooling, as a result of surface contractions. Subsequent cooling of the deformed interior induces a compressive elastic stress on the surface. This effect justifies the increase in tenacity observed in AD 85 aluminas, used as ballistic armor in the United States. Commercially, K_{IC} exhibits between 3 and 4 MPa $m^{1/2}$ when analyzed upon being produced, thus without the thermal treatment of cooling. Following treatment, K_{IC} increases to approximately 8.5, making possible its ballistic application.

Research Conducted at IME

The IME's ceramics group was established in 1978 and its goal is the development of technology for producing sintered alumina on a laboratory scale using a cold-compacted unidirectional powder. Under this program it has been possible to solve sintering problems by optimizing parameters for maximum mechanical strength and to obtain a material comparable to aluminas available on the international market. The effects of surface finishing processes involving machining on the mechanical strength of materials have also been studied. The possibility of considerably improving the quality of materials produced, by diamond drill polishing, has also been established. A production process involving sizing has been developed and, when optimized, makes it possible to obtain test specimens with mechanical properties similar to those obtained by cold unidirectional compaction and optimized production of

aluminas with low concentrations of silica. At the same time, an infrastructure has been established for conducting mechanical tests using ceramic materials; this includes the training of personnel, acquisition of equipment, literature and construction of various testing apparatus. Proof-testing methods have also been developed, consisting of trial by elimination, which guarantees the surviving specimens a minimum useful life; studies on the alumina deterioration with time have also been conducted and measurement methods have been developed for characterizing the mechanical strength of ceramics subjected to thermal shock. The possibility of total recovery from such damage through adequate thermal treatment has also been established.

The short-term goal of the IME's current research and development program in ballistic ceramics is to catch up with the technology of producers of such ceramics in developed countries. In this regard, an effort is being made to refine production methods, by seeking greater density (thus reducing porosity) through the establishment of an isostatic compacting technique. An attempt is thus being made to use point pressures for powder compacting, approximately 500 MPa as opposed to the current 70. However, without the reaction due to friction between the powder and matrix wall (observed in the case of cold unidirectional compaction), the compaction pressure gradient causing a characteristic defect, upon attempting to increase compaction pressure, is eliminated. Also under study is the production of an alumina-tungsten agglomerate in which a matrix of alumina, produced by sizing, surrounds tungsten wire in locations of maximum contribution for increasing tenacity.

Efforts will be made in the future to acquire experience in the production of high-tenacity alumina for mixing with very pure zirconium. In the meantime, we await the acquisition of zirconium.

Efforts will also be made to study the allotropic transformation that silica undergoes in the vicinity of grain and triple points of alumina, with a view to producing alumina with a silica content of more than 2 percent. Increasing the silica content of alumina to more than 2 percent promotes an increase in porosity and consequently a decline of tenacity; however, it may be noted that aluminas for ballistic armor contain approximately 15 percent silica, have low porosity and high tenacity.

11915/6091
CSO: 3699/25

ADVANCEMENT IN CHIP TECHNOLOGY

Sao Paulo VEJA in Portuguese 2 Jul 86 p 107

[Text] A chip designed entirely in Brazil and installed in microcomputers scheduled to go on sale domestically beginning this month is the latest major development in the domestic computer market. This chip--a silicon chip that does the work of hundreds of conventional electronic components--is called the MC2-5000 and is capable of replacing 25 integrated circuits, reducing by 10 percent the amount of space occupied by the circuit board of a central processing unit (CPU), the heart of any electronic computer. The first batch of micros equipped with this new chip will be Microtec's PCPAQ line.

As Touma Elias, director-superintendent at Microtec, a company that has been in existence for just 7 years, put it: "This is a significant step toward greater independence for the country in importing electronic components." However, the chip is being produced in the United States by LSI Logic Corporation because the Brazilian computer sector does not have the technological and financial resources to do so, as a result of the twofold market constraint established by the government--the lack of foreign competitors on one hand and, on the other, the barrier against the introduction of advanced technology into the country.

Advances in this area, in the research laboratories of U.S. firms, are quantum leaps forward. Last week the U.S. magazine SCIENCE DIGEST revealed to the public another of the sector's technological achievements: a transistor 100 times smaller than the model in current use. Based on theoretical calculations verified on paper, engineers of companies such as IBM and AT&T have confirmed in practice that electrons, in traveling through microscopic circuits, are capable in themselves of clustering around circuits and impeding the passage of other electrons.

Since the function of a transistor is precisely to modulate the passage of electric current, it will be possible to assemble on a chip a microscopic transistor that will take the place of two or three other conventional transistors. To visualize what this advance represents, it is only necessary to understand how a chip is made: the components of an electronic circuit, including transistors, are chemically deposited on a silicon chip. A modern chip measures 1 square centimeter and may contain up to 2 million components. This means that replacing two or three transistors with only one represents a proportional economy of approximately 1,000 components.

11915/6091
CSO: 3699/25

OPTICAL FIBERS TO USSR

Sao Paulo GAZETA MERCANTIL in English 7 Jul 86 p 7

[Text] ABC-Xtal, an optical fiber manufacturer located at Campinas, near Sao Paulo, is negotiating a $20-million contract with the Soviet Union.

According to Almir Vieira Dias, president of Telebras, the federal holding company for the telecommunications industry, the contract, involving 25,000 miles of optical fibers, could be signed by the end of the year.

ABC-Xtal's debut on the export market has been made possible by a 70 percent reduction in costs, says superintendent director Areno Pires.

The company signed Monday a $5-million contract to supply Telebras with 10,600 miles of optical fibers, for a sevenfold increase over aggregate government orders since 1984. Telebras says at least 13 state-owned telecommunications companies around the country are now incorporating fiber optics into their telephone networks.

11915/6091
CSO: 3699/25

DETAILS OF OPPOSITION'S AGREEMENT GIVEN

PY101325 Santiago Radio Chilena in Spanish 1700 GMT 9 Sep 86

[Text] Sergio Molina, coordinator of the National Accord for the Transition Toward Democracy, has said that the agreement on the future democratic government that was signed on 8 September by more than 10 parties reveals that the position of the parties toward the future Chilean democracy is becoming more clear. In a statement to the Primera Plana program, Molina voiced his satisfaction over the consensus reached in the document, which has strengthened the National Accord.

[Begin Molina recording] It is a task that we knew we had to undertake. The National Accord furnished the basic criteria. Several aspects of the Accord must now be developed further. I would say it is also necessary to become more deeply involved. This new agreement, which concurs with and is based on the National Accord, is a step forward in line with the Accord's criteria. I thus believe it is positive for the Accord and for the country, because it clarifies the position of political parties. I believe this is a step forward. [end recording]

Molina repudiated the latest violent actions, adding that such incidents occur when a country cannot find a solution. He deplored the government's refusal to begin a dialogue with the Accord in search of a solution to the crisis.

[Begin Molina recording in progress] ...thus, we have said it and I myself have several times reiterated that if we had engaged in a dialogue, it would have been easier to preserve peace. I do not mean that one side should convince the other or that one side should win and the other lose. I am just talking about the possibility of exchanging views to gain more insight into each other's ideas. I am talking about mere conversations and not about negotiations. If the doors to dialogue and conversation are closed, then violence unfortunately appears. Even if one does not want violence, some other sectors believe that they should resort to violence if there is no dialogue. I am totally against this position. But violence can emerge if common sense does not prevail. [end recording]

Molina reiterated that they will insist in their attempt to begin a dialogue with the government over the transition toward democracy. He stressed that the Accord reiterated this position on 8 September, when Accord leaders went to La Moneda Palace to convey condolences over the deaths in the attack against the president. Molina said that today more than ever it is necessary to begin a dialogue in search of democracy.

[passage indistinct] of the agreement that will support the future democratic regime, which more than 10 parties signed on 8 September. The signatories have assumed their responsibility to provide a sound foundation for the future democracy.

The document is signed by the following parties: Christian Democratic Party, PADENA [National Democratic Party], Humanist Party, MAPU [United Popular Action Movement], National Party, Radical Party, Republican Party, Social Democratic Party, the Socialist sectors of the Democratic Alliance, the Mandujano-led Socialist bloc, the historic socialist bloc, and USOPO [Popular Socialist Union].

The first point of the agreement establishes the ethical foundations of the parties' commitment to democracy: unity despite disagreement. In the document, the parties that will support the future democratic government state: we admit that we have disagreements, but we also deen it essential to reach an accord on several issues.

The document states that without an accord it will be impossible to live in civilized coexistence, neither will it be possible to share the feeling that we are all part of one nation and that we are governed by a government that enjoys the people's support. This agreement must permit logical differences of opinion, despite conflicting party interests, and despite the different programs of government or the proposals that each party may make.

The document stresses that solidarity and the preservation of justice, and of individual and socioeconomic human rights are essential for democracy.

No stable democracy can be restored unless the extreme inequalities that exist in our country are overcome. To achieve this objective, the democracy that will be restored in our country must be based on two sound pillars: Equality before the law, and the free, equitable, and responsible participation of the people. Also, those who want to govern the country must direct their political efforts at overcoming the misery in which millions of Chileans are living.

The document says that in a democratic society, civilians and civil organizations must enjoy the freedom to put forward their own initiatives. Reconciliation, whicn must be based on truth and justice, is essential for restoring coexistence among Chileans. The attacks and crimes that have shocked the country must be clarified and the full weight of the law should fall on those who are found guilty. To this end, the trials involving human rights

violations must be based on responsible reports and proper evidence on specific crimes. These cases will be heard exclusively by the courts, thus making sure that the trials will not be marked by humiliation, revenge, or accusations against groups or organizations [juicios colectivos ad hoc], the document says.

Concerning the right to work, the document states that job stability implies the right to keep one's job unless dismissed on justified, legal grounds. Dismissed workers should always be allowed to submit their cases to the proper labor courts. The right to work also implies decent salaries. The democratic government that we want will protect the family, which is society's basic unit.

The document upholds the youths' right to receive a free and pluralistic education that should promote their creativity, and to have decent jobs without discrimination. Youths should also have the right to enjoy equal opportunities, have access to culture and recreation, responsible participation in public affairs, and freely form associations following their particular interests.

The document concludes that the Constitution must uphold the right of ownership over tangible and intangible goods, including the productive apparatus, which is essential for encouraging private initiative in several areas.

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CSO: 3348/4

JOURNALISTS ASSOCIATION PROTESTS DEATH THREATS

PY151505 Madrid EFE in Spanish 0102 GMT 14 Sep 86

[Excerpts] Santiago, 13 Sep (EFE)--The Valparaiso Regional Council of the Chilean Association of Journalists has released a communique protesting the death threats received by journalist Enrique Acevedo Valdes. Valdes works for Radio Cooperativa in the Port City of Valparaiso, located 120 km northeast of Santiago.

An anonymous caller on behalf of the so-called Uldaricio Aravena Marquez group threatened the journalist by phone. Acevedo Valdes' brother, Patricio, has also received a death threat. Patricio works in Santiago as secretary of the magazine ANALISIS which, together with four other weeklies, was closed by the military authorities.

Acevedo Valdes has told the Santiago Archbishopric radio station that, while he was out of the house, a woman called three times early on the morning of 11 September, and left the following message with his children: "We will kill you and your brother for being communists."

Acevedo reported to the Catholic station that the woman also said that they would die for being "traitors," referring to the fact that they are the sons of a retired military officer.

During a television program broadcast by channel 12 of the Catholic University, Interior Minister Ricardo Garcia referred to the kidnappings and murders that have occurred during the past few days since the state of siege was declared, and pointed out that maybe "extremist sectors are trying to eliminate witnesses."

Minister Secretary General of Government Francisco Javier Cuadra, however, was more specific during another television program broadcast by channel 11 of the University of Chile, he said: "We are under the impression that the crimes form part of a purge within the Marxist groups."

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CSO: 3348/4

HUMAN RIGHTS PLENUM ISSUES STATEMENT

PY170315 Madrid EFE in Spanish 1933 GMT 16 Sep 86 [no page numbers given]

[Text] Santiago, Chile, 15 September (EFE)--The plenum of Chilean human rights organizations has noted that during the first week of enforcement of the state of siege there have been four deaths, three people wounded, 85 arrests and 17 death threats.

This information was disclosed today by Andres Dominguez, coordinator of the Chilean human rights commission, CCHCH.

Moreover, during a press conference Domingo Namuncura, executive secretary of the "Peace and Justice" commission, reported that the human rights plenum held a three day meeting. This plenum is made up of the Pro People's Rights Committee, the National Commission Against Torture, the Pro Youth Rights National Commission and the professional associations Federation Human Rights department; in addition to the Peace and Justice Commission and the CCHDH.

Namuncura also read a statement issued by the plenum which notes that "any attack against a human life is a condemnable act and this is why we have always encouraged respect for human rights. Citizen's rights must be promoted so that no one will abuse powers or take justice into his own hands."

The signatory organizations note that "although the government is responsible for enforcing measures that the law provides to establish responsibilities in the attack against the president, we cannot accept that the state of siege be enforced under the pretext of finding those responsible for the attack."

They add that through the implementation of the state of siege "there is censorship of the press, dozens of opposition leaders are jailed because of a simple administrative order, the church is attacked; priests are persecuted, arrested and expelled, and shanty towns are raided."

Human rights organizations note that "it is even more serious that many days have gone by without offering the country a vast and strict investigation on the recent assassinations that have occurred."

In this regard, the statement adds that this must be explained "because with the movement of vehicles being strictly controlled and during the enforcement of the state of siege, a group of unidentified civilians abducted from their

homes several citizens who were later assassinated. Because of the nature of these acts, we are led to believe these were acts of vengeance."

After repudiating the attacks against pro human rights organizations, the statement notes that "we defend the life and physical integrity of all Chileans and it is because of this that we demand that the military government truly respect our rights and abstain from issuing threats against the leaders and employees of our organizations."

The plenum made a call "to the Chilean people to not let themselves be harassed nor provoked because Chileans must and can exercise their right to report any attack against them, be it a psychological or physical attack."

According to Andres Domingues from the CCHCH, the exceptional measures enforced by the government are thwarting public freedoms and causing fear among citizens.

Dominguez added that among the death threats that have been issued are those that unidentified persons have made against top-ranking CCHDH members in Osorno, Linares, Curico and San Felipe.

Moreover, Dr Paz Rojas, leader of the Pro People Rights Committee, noted that her organization is most concerned about "the large number of human rights violations against individuals and organizations." She said that "the number of political prisoners has increased by 50 percent in the last few months, while repression has also increased."

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CSO: 3348/6

SOCIALIST LEADER'S RELEASE SOUGHT

National Accord Rejects Detention

PY171120 Madrid EFE in Spanish 0422 GMT 17 Sep 86

[Text] Santiago, 16 Sep (EFE)--The democratic Chilean opposition political parties comprising the National Accord today rejected the detention of socialist leader Ricardo Lagos and asked that he be freed.

Lagos, like other leaders opposed the Chilean military government, has been held in detention since 8 September by virtue of the state of siege decreed after the 7 September attack against General Augusto Pinochet.

The National Accord for the Transition to a Full Democracy was signed in August 1985 by representatives from 11 right-wing, center, and left-wing political groups which accepted a call for reconciliation made by Santiago Archbishop Cardinal Juan Francisco Fresno.

The signatories of the accord have stated that they consider unjust the detention of Ricardo Lagos and that the detained socialist leader has often publicly condemned terrorism and violence, and voiced his willingness to achieve political and peaceful solutions to the national crisis.

The National Accord signatories added: We are completely convinced that Lagos' detention is an unjust measure because disagreeing with the government cannot be regarded as a crime. Thus, they asked that this injustice be undone and the jailed political leader be freed.

Prominent Group Supports Release

PY191448 Madrid EFE in Spanish 0306 GMT 19 Sep 86

[Text] Santiago, 18 Sep (EFE)--A group of prominent people, including writers, artists and intellectuals, have added their support to the request made by some political sectors for the release of socialist leader Ricardo Lagos.

Lagos has been in custody since 8 September as a consequence of the state of siege decreed by the Chilean Government following the unsuccessful attempt on General Augusto Pinochet's life.

In a public statement, the group which includes Jose Jaoquin Bruner, and Claudio Di Girolamo expresses its "solidarity and serious concern "over the arrest of Ricardo Lagos whose "immediate release" they request.

Just 24 hours ago Sergio Molina, coordinator of the group of 11 political parties which form the National Accord, sent a letter to Chilean Interior Minister Ricardo Garcia telling him that they consider the arrest of the socialist leader to be unjust.

It is not acceptable that a disagreement with the government should be considered a crime, the coordinator of the "National Accord" added, requesting that "this injustice be repaired and that the detained political leader be released."

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CSO: 3348/4

PDC CONDEMNS VIOLENCE, STATE OF SIEGE

PY180406 Santiago Radio Portales in Spanish 2300 GMT 17 Sep 86

[Text] The Christian Democratic Party [PDC] insists that the only way to bring peace and solve the crisis of confidence in Chile is to allow democracy to continue with its relentless task of reactivating the civic organization process. The PDC said that progress must be made toward a political agreement to recover our freedom and toward negotiations with the Armed Forces.

The Chilean PDC also reiterated its support for the social efforts of the National Civic Assembly [ANC]. It likewise reiterated its support for the objectives of the National Accord and the basic democratic political principles.

These opinions are mentioned in an official communique issued by the PDC reporting the latest RDC National Council agreements.

In one of its points, the PDC document condemns the attack against President Pinochet and his retinue during which some military men died. The PDC once again rejects the use of political violence becuase it hinders the process of recovering democracy.

The PDC document then rejects the imposition of the states of exception, the state of siege, and its excessive attributions because they allow the adoption of unfair measures that do not help solve crimes or pacify the country.

Therefore, the PDC firmly condemns and rejects the government measures adopted against priests, political and social leaders and the media. The PDC believes that such measures are not good for the population but rather are a simple retaliation.

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CSO: 3348/4

BISHOP CONDEMNS COUNTRY'S SITUATION

PY190106 Paris AFP in Spanish 2025 GMT 18 Sep 86

[Text] Ancud, Chile, 18 Sep (AFP)--The regional authorities in Ancud, 1,500 km south of Santiago, walked out of a Te Deum mass being celebrated on the 176th independence anniversary, when Bishop Juan Luis Ysern criticized the actions of the government of Gen Augusto Pinochet.

The incident occurred at the Cathedral of Chiloe, in Ancud, after the prelate spoke about the country's situation. He said that Chile has been shaken over the past few days following the attack on Gen Pinochet in which five body-guards were killed, and the killing of four leftwingers at the hands of an unidentified army commando.

Msgr Ysern said: Can we express thanks for our coexistence, for our way of building Chile? News of murdered people appears every day, and this month has begun with an attack against the president of the republic.

Msgr Ysern said: I cannot play a comedy. He recalled the gospel of Saint Luke which states that with the same measure that ye mete withal shall it be measured to you again.

Msgr Ysern added that a dialogue is being spoken of but the government is putting obstacles in the way of such a dialogue. A peaceful coexistence is sought but we are told that efforts are to be made to build the fatherland in a warlike manner.

Almost at the end of the mass the bishop announced that he will not participate in the commemorative ceremonies to mark the national independence which have been scheduled by the provincial and regional authorities.

I cannot attend those ceremonies when I am witnessing many things of which I cannot approve, things which I find are not the will of God said the prelate of this city which mainly [passage omitted].

Msgr Ysern stressed that he has nothing against the mayor or the municipality (City Hall).

Upon hearing this, Carabineros Prefect Lt Col Nelson Acevedo asked for permission to leave the temple, stating: I feel that your words (addressing himself to the bishop) do not help to achieve unity among Chileans.

The police officer stated that the open way in which the local bishop criticized the government forced him to walk out of the church, something which was accepted by the prelate who asked the congregation to respect those who were leaving and to seek understanding.

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CSO: 3348/4

BRIEFS

PINOCHET ADDRESSES ATTACHES--President Pinochet today told foreign military attaches accredited to Chile that the government knows that the only way to ensure freedom and maintain peace which is threatened by the Communist (?legions) is to fight it with decision and [word indistinct]. The chief of state had lunch with them to celebrate Army Day, and when addressing them he remarked that after having resided in Chile and lived through personal experiences here they are now qualified to report on the national situation and to report objectively on it to their respective countries thus clarifying mistaken (?concepts) and misinformation about Chile. During the first part of the luncheon, Argentine military Attache Colonel Guillermo Gomez addressed the group in the name of the foreign military men accredited to the different embassies here. He condemned the attack against the president of the republic on 7 September and wished him victory in the war against Marxism as well as the fulfillment of all the objectives established in the Constitution for the good of Chile and the free world. The luncheon took place in the officers country club in Penalolen neighborhood. [Relay from government house by unidentified reporter] [Text] [Santiago Domestic Service in Spanish 2300 GMT 17 Sep 86 PY] /12913

NEW NAVY COMMANDERS APPOINTED--The Navy command for 1987 will be made up in the following manner: Navy Chief of Staff: Vice Admiral Hernan Rivera Calderon, former health minister; Navy Judge Advocate General: Rear Admiral Aldo Montagna Barghuetto; 1st Naval Zone Commander in Chief: Rear Admiral John Howard Balaresque; National Defense Chief of Staff; Rear Admiral Rigoberto Cruz Johnson; Navy Services Director General: Rear Admiral Fernando Camus Scherrer; Navy Personnel Director General: Real Admiral Jorge Sepulveda Ortiz; Chief of Navy Mission in Washington: Rear Admiral Fernando Navajas Irigoyen; Maritime Territory Director General: Rear Admiral Gustavo Pfeiffer Niedbalsky; Navy Arsenals Director: Rear Admiral Humberto Llanos Morales; Squadron Commander in Chief: Rear Admiral Rolando Vergara Gonzalez; Government Junta Navy Household Chief; Rear Admiral Jorge Martinez Busch; Naval Engineering Director: Rear Admiral Sergio Altamirano Velazquez; ASMAR [Naval Docks and Yards] Director: Rear Admiral Harald (Romerskit Segnore); Navy Comptroller: Rear Admiral Federico Pena Aranda Garces; Second Naval Zone Commander in Chief: Real Admiral Eduardo Alvayay Fuentes; and Navy Secretary General: Rear Admiral Fernando Lascano Gimenez. [Text] [Santiago Radio Chilena in Spanish 2300 GMT 16 Sep 86 PY] /12913

ALMEYDA FORESEES END OF REGIME--Clodomiro Almeyda, secretary general of the Chilean Socialist Party, has said in Sofia that the people's pressure for the return of democracy, the disagreements within the Armed Forces, and the U.S. discontent and concern about the situation in Chile foretell the end of the regime. During a brief working visit to Bulgaria, the Chilean leader told PRENSA LATINA that the contradictions in the military show that there is no longer great unity around Augusto Pinochet, chief of the regime. [Text] [Havana International Service in Spanish 1600 GMT 22 Sep 86 PA] /12913

LIBERAL PARTY EXECUTIVE BOARD--The new Liberal Party [PL] National Executive Board was elected on 7 September. The ticket headed by politician Federico Errzuriz Talavera won. Two tickets were voted on and 487 leaders from the entire country participated. The Executive Board includes Claudio Cerda Contreras, Gonzalo Gazmuri Munoz, Geronimo Maldonado Gonzalez, Pedro Esquivel Santander, and Ricardo Bustos. The court of honor includes President Manuel Reyes and Eduardo Vines, Jose Luis Garcia, Washington Malageno, and Juan Palacios. [Text] [Santiago EL MERCURIO in Spanish 8 Sep 86 p C4 PY] /9738

PERSECUTION OF FORMER MINISTER--Santiago, 16 Sep (EFE)--The Christian Democratic Party [PDC] tonight expressed its concern about the persecution of former Chilean Mining Minister Alejandro Hales and his family. A communique released by PDC Under Secretary General Jorge Burgos vigorously repudiates this persecution that is inspired by Alejandro Hales' permanent zeal and dedication in the task of denouncing irregularities, as a national counselor for the Chilean Lawyers Bar. The PDC expresses its solidarity with former Minister Alejandro Hales and his family, in view of what it considers "a new violation of human rights," and asks the authorities to adop the necessary measures for his protection that will be "aimed at preventing these vile threats from being carried out." [Text] [Madrid EFE in Spanish 0603 GMT 17 Sep 86 PY] /9738

JOURNALISTS PROTECT RIGHTS--Santiago, 16 Sep (EFE)--At a special plenary meeting tonight, the Chilean Association of Journalists decided to ask the government to lift the suspension and censorship levied against certain Chilean news media. Ignacio Gonzalez, president of the association, announced this decision adding that the association also resolved to press for the clarification of the murder of journalist Jose Carrasco, who worked for the magazine ANALISIS. Gonzalez went on to say that he will invite international journalists' organizations to send observers to Chile so that they can see for themselves the difficulties that the local media are facing. The Chilean Association of Journalists will also send notes to the Committee for the Protection of Journalists in New York, to the International Red Cross, and to the UN Special Observer for Human Rights Fernando Volio. Ignacio Gonzalez concluded by saying that a letter will be sent to Pope John Paul II and the association will meet with representatives of the Catholic Church and some of the diplomats accredited in Chile. [Text] [Madrid EFE in Spanish 0557 GMT 17 Sep 86]

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CSO: 3348/4

BARCO COMMENTS ON GOVERNMENT, ECONOMY

PA261530 Bogota Television Service in Spanish 0102 GMT 26 Sep 86

[Speech given by Colombian President Virgilio Barco Vargas from the presidential office in Bogota--live]

[Text] Compatriots: A new presidential term began on 7 August and, with it, we began a stage different from what we have experienced in the past 30 years.

Certain sectors of our society, the political parties, and the congress, and certain public commentators have not fully identified the substantial differences between the administration I head and previous administrations.

To explain the change underway in the country, I must recall statements I made during the electoral campaign. I made a clear proposal to the country back then. I repeated it at all the public plazas using all the media. I said that if all citizens agreed to it, and if we won, a government program would be started for the benefit of all Colombians. This proposal received the greatest number of votes in electoral history, an overwhelming majority on the part of the voters. It was this mandate that provides the government with a basis for its actions.

The day after the elections, the winning candidate could not ignore these results to enter into agreements on principles and government programs with those not favored by the people's decision. To do so would be to distort the basis of democracy. A few persons, regardless of how prominent they may be, cannot claim the privilege of establishing the course and plan of actions of a government without first taking into account the people's will, which was clearly expressed in the elections.

Government pacts were characteristic of the national front system. In this system, the selection of the presidential candidate was the result of a previous agreement between the two largest political forces. As both of them elected the president, they both had to rule.

Later on, the complicated paragraph of Article 120 of the Constitution ordered the president to offer the losing party an opportunity to participate in the executive branch.

The party in second place has the option to reject this offer and to assume, if it so desires, an opposition role. However, it must do so within the mandates of the Constitution and the laws, and must respect the citizens' rights. It is a government obligation to abide by the Constitution. However, this is also an obligation of the parties and political movements. It is the obligation of all without exception.

Now then, this norm offers several possibilities. For example, it is possible to have a government guided by the platform of a party with the institutional or personal cooperation of members of the other party. There are other possibilities, such as that which we have implemented now: a government under the responsibility of the majority party and composed of citizens of this party who occupy political leadership posts, and the other party or other parties, carrying out the tasks of the opposition with full guarantees.

This is the best form of democracy, the one which the country so much wanted and needed. Within this interpretation of Article 120 of the Constitution, it is essential to take into account the difference between the political leadership posts within the executive branch, and those posts that make up the public administration.

Cooperation with the executive branch is a party decision which the president respects. However, participation in the public administration--which is an equal right of all Colombians without exceptions--is an individual and free decision. No one should interfere in it. No one should try to impose a particular behavior different from what the citizen wants for himself. This is a principle that I want to stress.

I have given public and clear orders in this regard. This is how thousands of Conservative Party adherents, independent citizens, and members of other parties are working in public administration posts. They can continue there as long as they are honest, efficient, and loyal to the state: behavior demanded from every public official.

This view and this practice respond to unalterable government decisions. The country owes a lot to the national front. I served it with loyalty and devotion. However, that political formula is worn out. Trying to prolong it artificially would be to spoil the positive aspects it had as a transition regime.

But the dialogue among all the political forces, the dialogue between the government and the parties, and the entire society, is also the essence of democracy.

Congress, the assemblies, and the councils have, among others, the duty to promote the exchange of ideas and to seek agreements and commitments.

This is something very different from the pacts made apart from Congress and other political groups, and apart from, above all, the people's will. The government is contributing to this dialogue. I once again invite all

the different political and social forces to actively participate in this civilized, democratic, and nonviolent dialogue.

The country has changed. Grave problems of various kinds have emerged. Political actions, in addition to their intrinsic value, must give the nation solutions to face new problems, conflicts, and social tensions such as those we are currently facing.

Mandatory coalitions block the path to new opportunities and to the formation and participation of new forces in politics. This change, according to which a party is responsible for implementing a program while in government, while other parties legally exercise their right to engage in an opposition role, will undoubtedly be the appropriate avenue for the country to address the economic and social problems that have been kept in reins but that have grown worse over the years. Only this kind of clear-cut political transformation will place the country in a position to implement policies for social and economic change.

As president I could either accept and enforce the will of the great majority which expressed its decision at the ballot boxes and demanded a change, or else resort to easy pacts and agreements with a few leaders. I think that the correct decision is to enforce the will of all our people, who demanded that the country be guided via new roads toward social justice. This will be another phase in our history. In general, great political changes have been achieved through revolutions and tremendous social crisis. We are now making changes in Colombia in a serene way, without disruptions from those sectors that usually seek to create unrest and appear every time there is a crisis--like the one we have withstood.

The country has the right to expect that the opposition will understand this and contribute so that this process can continue in an atmosphere of peaceful coexistence and political civility. The government has the obligation to give the Conservative Party, Liberal Party, Patriotic Unity, and ANAPO [Popular National Alliance] the guarantees so that they may carry out their political activities according to the constitution and laws.

This is the framework for democracy and we want to live within this framework. The effort to attain a change is not an exclusive government responsibility; it is also a pledge between the parties, congress, and all social sectors.

The government has been carrying out its responsibilities; however, the government party also has its obligations. Senators and representatives also received a mandate: Their actions and behavior are also subject to the people's opinion. There can be no mistake about this.

Within the government's daily activities, and within this political context, we have presented some bills and I would like to briefly refer to them. Two of them aimed at making changes in Colombia society--the agrarian and urban bills--refer to matters which have been on the agenda for many years,

but have never gone beyond being mere bills or draft laws; sometimes they were ambitious, but to date, have had few practical results. Perhaps the political will to pass them was absent. Our government has the necessary will. Even more radical and ambitious proposals have either never progressed beyond the simple draft stage, or have been given many years of legislative work, all to no avail. The government's proposals are primarily based on precepts consecrated in the Constitution 50 years ago, in 1936, under Alfonso Lopez Pumarejo's efforts for a renewal. That norm is nowadays the basis for our institutional framework; I am talking about Article 30 of the Constitution, which states that ownership of property is a social function entailing obligations. However, our Constitution also respects private property.

Consequently, these bills seek to enforce the social obligations of both the state and of private citizens, according to Article 16. We are not trying to override legitimate ownership; we are trying to give those who do not have land the opportunity to till the land, have access to credit, as well as other economic, technical, and social advantages. The agrarian bill presented to congress by the government eliminates the difficult interpretation regarding whether land is adequately or inadequately exploited. That interpretation made difficult the changes aimed at speeding up the procedures for purchasing tillable land. Once that difficult interpretation is abolished, the government plan will allow the INCORA [Colombian Agrarian Reform Institute] to expropriate land for social purposes, should the owners not wish to sell voluntarily or refuse to sell at a fair price.

In addition to that important measure, there are other norms in the draft agrarian law which increase the participation of peasant organizations, speed up legal procedures, and facilitate the payment of debts. The government wants to provide legal solutions that do not generate unnecessary conflicts affecting production, and that allow us to quickly overcome and solve situations which may disrupt our social peace.

The government has acted with this same frame of mind in regard to the urban problem. There have been many examples of urban development plans. The government has examined them and kept them in mind when trying to find practical solutions. The draft bill presented to congress seeks to speed up procedures for direct negotiations, and an expropriation--whenever necessary--and to extend the authority of decentralized organizations to the departments and municipalities. If this bill is approved, we will eventually achieve our goal: that the urban dwelling destined for the poorest sectors is no longer built in areas lacking public services, schools, hospitals, and where it is necessary to travel long distances in uncomfortable vehicles--if any are available.

During my presidential campaign, I announced that I would recommend to the governors that they appoint mayors, taking into consideration the majorities attained during the elections in each municipality. According to this and as the president, I instructed the governors. This is a way to anticipate situations that could develop from the popular elections of

mayors, as established by the Constitution. In view of the fact that the Conservative Party's national directorate forbade party members to refuse mayoral appointments, I have recommended that, in those municipalities where the Conservative Party is known to enjoy a majority, mayoral posts be filled by persons who have distinguished themselves by their services to the community and who enjoy the people's support.

In order to implement the constitutional provision on the election of mayors by the people, the government has introduced a bill to regulate this election. This was done in the understanding that this amendment will consolidate and perfect the democratic institutions. The government has remained alert in situations of disruption of public order. It has remained watchful over the people's normal and peaceful coexistence in its various and difficult aspects.

One of these aspects deals with the consolidation of the achievements made during the peace process and the need to make further progress toward new stages. To this purpose, I appointed a presidential delegate for reconciliation, rehabilitation, and normalization. His main responsibility is to coordinate the government's tasks related to these purposes in their political, economic, and social aspects, all of this under the direct supervision of the president of the republic.

The presidential delegate recently traveled to La Uribe to get in direct contact with the FARC secretariat. While there, the delegate explained the government's views on the tasks, programs, and achievements that must lead to the reincorporation into normal, civilian life of those who chose weapons in the past. Although they were anticipated, other events have rocked the nation. Weeks before the new government assumed office, some subversive sectors unleashed violent actions; towns were occupied, and ambushes, sabotages, and attacks took place. Many soldiers, policemen, and officers were lost. Weeks later, several leaders, congressmen, and followers of the Patriotic Unity were also victimized by violent acts.

The crime wave has also affected other sectors. Well-known reporters, officials, and citizens, people who carried out their public duties and fulfilled their political functions within thelaw were also victimized. It is undeniable that common crime has increased. A considerable number of these criminal activities are linked to the ruthless drug trafficking. This is a cruel, distressing occurrence. There are forces seeking to disrupt the very basis of our society. The government has adopted the necessary measures in these cases, but it is necessary for society to be aware of the seriousness of the threat. This threat is not against a few, but against all of us and the nation in general. The government is using the legal means available and will have to mobilize even more resources and efforts to check this crime wave.

The government will do everything possible to ensure that no crime goes unpunished. Whoever violates the law must be rejected and punished by society. I want to state flatly that if these violent actions seek to paralyze the state's actions or turn the government away from its purpose of achieving political, social, and economic changes, or to prevent the

government from reassuring the opposition as well as continuing its effort to fight drug-trafficking, this will not happen. When society is threatened, the government's essential duty is to preserve it. If the government's actions or resources must be drawn together for this purpose, this is what we will do. It may be difficult, but there is no other alternative.

Our society has proved itself to be strong. This strength guarantees that it will not be deflected from its proper destiny. The government will persevere in its programs of change, and will remain loyal to its pledges and willingness to serve all Colombians, particularly our most needy and defenseless citizens.

Colombia has been chosen to preside over the 41st annual meeting of the representatives of the 151 member-countries of both the World Bank and the IMF. This is an opportunity to present the worries and aspirations of those countries that, like ours, are trying to overcome their backwardness and the poverty of a large segment of their populations. During the trip I will make, I will participate in the meeting of the OAS permanent council and the UN General Assembly. In addition, I will honor the invitation of the U.S. President to exchange views with him on the international situation. This invitation was within the context of my participation at the international organizations. I will be accompanied by the foreign minister, the finance minister, and the manager of the Bank of the Republic. Colombia has been a member of these international organizations since their foundation. Colombia has been represented in them at all times. Its presence has been active, respected, and effective. The annual meeting of the World Bank and the IMF is surely the world's most important forum, where the world economy is analyzed and formulas for its healthy growth are sought. The IMF, as an organization for monetary control, and the World Bank, as the greatest source of multilateral financing, make decisions in these meetings that deeply influence the international economy and, of course, the national economies of each of the member-countries. Our stance is clear in these meetings. We will struggle to open markets for our products and to reduce international trade restrictions which are the result of protectionism by the industrialized countries. We will also show how the problems of the foreign debt have seriously affected our economies by limiting our ability to generate jobs and forcing us to become capital exporters to the developed countries.

The OAS is the natural forum for the countries of the continent. There, where we are equal according to the law, without any vetoes or censorships, we will be able to analyze our cooperation and the possibilities of administrating justice as a hemisphere. At the OAS and at the United Nations, I will have the opportunity to discuss peace in our region and the mediation services that the Contadora Group can continue offering; narcotics trafficking problems, terrorism, and--obviously--foreign debt problems and their effect on the social and economic progress of our peoples.

As president and as a Colombian, I feel sure that this short 4-day visit will yield very positive results for our nation. In meeting places which have more international importance, I will ratify the call for a unified

struggle against object poverty that I initially presented to the delegations attending my inauguration.

I feel confident that the world leaders will attentively listen to the democratic voice of those like the Colombian president, who aspire to strengthen peace through freedom and social justice.

Our economy, like that of all nations, cannot be an isolated economy. If we want to surpass the serious shortcomings affecting the quality of the lives of so many fellow countrymen, we must do this in an international context. We must make sure we have the cooperation and support of the countries in the world which are capable and willing to lend us their assistance, while respecting our history, culture, and sovereignty.

This international effort is part of the struggle that we have launched against the unemployment and poverty affecting large sectors of our population. We will be successful in this struggle, with the support of all of you fellow countrymen before whom I must guarantee the nation's destiny. Good night, and goodbye.

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CSO: 3348/11

DEFENSE MINISTER ON VIOLENCE IN COUNTRY

PA252351 Bogota EL TIEMPO in Spanish 21 Sep 86 p 3a

[Report by Eduardo Garcia Martinez]

[Text] Cartagena, 20 Sep--Colombian Defense Minister Rafael Samudio Molina has said here that the violent acts which are shaking the country these days, especially the murders of a rpominent newsman from Cali and a Candelaria mayor in Valle del Cauca, are not a challenge for the Armed Forces only, but for Colombian society in general.

Minister Samudio inaugurated the new housing and administrative block of the Bolivar police command, and at this ceremony he called for the cease of the violence that is scourging various regions of Colombia.

The Colombian defense minister said that this week's murders in Cali are extremely worrisome incidents, which should make Colombians think seriously about putting an end to those crimes, regardless of their origin.

In answer to questions on whether the Cali murders were considered a challenge for the Armed Forces, Minister Samudio said:

"Those murders are not a challenge for the military forces, but for the society itself, which is the victim of that violence. Yet the public force has the obligation and intention of controlling such excesses, according to its capacities. However, it requires the solidarity of all Colombians."

Samudio admitted that in the last few days, several terrorists acts occurred in the Atlantic coast area especially in Barranquilla, but he added that they have not been as dangerous as those that occurred in other zones of the country. However, Samudio said that along with the region's governor, they are seeking measures to fight those kinds of acts.

The Colombian defense minister said that crime has developed high-level techniques, but he trusts that the struggle against it will be successful on all its levels.

In addition, Minister Samudio announced that the Cali and Medellin police will be strengthened with 300 more men and that patrol cars, and other vehicles will be delivered to those institutions in order to improve their operations.

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CSO: 3348/12

LEGISLATURE QUESTIONS MINISTERS ON UP KILLINGS

PA260119 Bogota Emisoras Caracol Network in Spanish 1215 GMT 25 Sep 86

[Report by Julio Suarez Anturi--passages within quotation marks recorded]

[Text] The central government, represented by Government Minister Fernandeo Cepeda Ulloa and Justice Minister Eduardo Suescun Monroy, closed after midnight last night its rejoinder to the Patriotic Union [UP] summons to questioning before the full Chamber [of representatives].

The main speaker for the UP was Braulio Herrera, whose real name, according to the summons notice received by the cabinet ministers, is Carlos Enrique Cardona. After ennumerating the UP members and leaders who have been killed, the UP representative evaluated the efforts and reforms effected by the government thus far to help restore peace. He said:

"Aside from the reforms to salvage the country's political life, they are precarious. We believe that the popular election of mayors is a very important step toward decentralization in Colombia. [We can also mention] the improvements to the electoral reforms. The reforms to the new departmental and municipal government systems are also important. And we have the political parties law, which left out a point that is fundamental for opposition sectors and the democratic left-wing groups: financing of electoral campaigns."

After repeatedly accusing the Armed Forces of breaking the La Uribe treaties, Herrera wrapped up his intervention calling on the civic organizations, traditional political parties--Liberal and Conservative--and the citizenry in general to support the valuable efforts that the administration of President Barco Vargas is making to consolidate the peace process.

Meanwhile, Government Minister Fernando Cepeda Ulloa addressed the full session of the Chamber, stating the following:

"Nothing is more harmful to the process than this string of mutual accusations, not because reasons to make them are lacking or because these accusations are in some instances unjustifiable, but because it does not appear that these accusations are helping to clarify what party has violated the accords."

The government minister reaffirmed "the commitment of the public forces--Armed Forces and police--to the peace process, the reconciliation efforts."

In closing, the government minister called on all Colombians "to condemn kidnapping, extortion, blackmail, forced contributions, drug trafficking, attempts, abductions, torture, taking justice into one's own hands--regardless of the party who does this--recruitment of activists for military purposes, and the use of arms or uniforms which are for the exclusive use of the Armed Forces."

Justice Minister Eduardo Suescun Monroy addressed this first major peace discussion to call for an end to violence.

"This chamber must rise to oppose that absurd and [words indistinct] violence. [passage indistinct] This administration has done everything within its reach and more to stop what is happening. However, it needs more solidarity from the citizenship. Colombians must organize [words indistinct] civilized coexistence, based on good faith, respect, and sincerity."

Minister Suescun Monroy said that the government "will adopt all the necessary measures to ensure the effective protection of the lives, freedom, and safety of individuals. The government will adopt all the necessary measures to make investigations effective. On this point, which falls under the responsibility of the Justice Ministry, I assure you that the Justice Ministry will make every effort to provide judges with [words indistinct]. All of the government's resources, absolutely all, including those it possesses now and those it will avail itself of in the future, will be devoted to making sure that investigations clarify. [sentence as heard] The government is the first to demand and [words indistinct]. The entire government, including the Armed Forces, is the party most interested in fully clarifying." [sentence as heard]

Minister Suescun Monroy will return to the Chamber of Representatives on 14 October for future questioning.

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CSO: 3348/12

'DEATH TO KIDNAPPERS' SENTENCES 12 TO DEATH

PA260234 Bogota EL TIEMPO in Spanish 22 Sep 86 p 7-a

[Article by Manuel Hernandez]

[Text] Bucaramanga, 21 Sep--The clandestine organization Death to Kidnappers, MAS, has revealed here the names of 12 people in Cesar Department who the organization has sentenced to death for their alleged links to the leftist guerrilla groups.

Their names are Orlando Alcina, Adolfo Sumalave, Jose Felizola, Arnulfo Rincon, Javier Baron, Rigoberto Segovia, Martin Herrera, Carlos Uribe Nieto, Carmito Sepulveda, Jose Enrique Martinez, Elena Felizola, and Jorge Uribe Nieto, who are residents of the municipalities of San Alberto, Aguachica, Chiriguana, and Pailitas, in Cesar Department.

A pamphlet sent to EL TIEMPO says, among other things: "The glass has been filled to the brim, we are tired of kidnappings, extortion, killings, and war taxes. The MAS in San Alberto, Aguachica, Chiriguana, and Pailitas: Ranchers, employees, workers, peasants, students, parents, brothers, sons, Colombians, fellow citizens: We are glad to announce today that our organization, Death to Kidnappers, MAS, will continue as of this date with its cleaning operations to guarantee life, property, and freedom of all citizens.

"We are not going to allow criminals, assassins, bandits, and paranoics of the sinister organizations, the Revolutionary Armed Forces of Colombia, FARC; the Popular Liberation Army, EPL; the Army of National Liberation, ELN; and the 19 April Movement, M-19, to continue using their arms to override, humiliate, and threaten the people.

"We want their attorneys, defenders, dishonest, guardsmen, collaborators, and informers, who are also the assassins of the people, to know that our national organization knows who they are, and that if they continue supporting and collaborating with those vulgar criminals, they will pay their infamy with their life.

"Get out assassin guerrillas; get out kidnapping bandits; get out extortioning communists.

"The MAS has sentenced to death Orlando Alcina, Adolfo Sumalave, Jose Felizola, Arnulfo Rincon, Javier Baron, Rigoberto Segovia, Martin Herrera, Carlos Uribe Nieto, Carmito Sepulveda, Jose Enrique Martinez, Elena Felizola, and Jorge Uribe Nieto. Our promise is an obligation to the people."

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CSO: 3348/12

HUILA DEPARTMENT LEADERS SAY INSECURITY 'GROWING'

PA260104 Bogota Television Service in Spanish 0000 GMT 25 Sep 86

[Text] Unfortunately, we have to report that the public order situation in the country is not good tonight. One councilman was assassinated in Antioquia Department, two activists of the UP [Patriotic Union] were kidnapped and assassinated, one rancher was kidnapped and assassinated in Cordoba Department, another rancher was killed in Cauca Department, and four peasants were found gagged and assassinated in Cesar Department. In Huila and Tolima Departments, the situation is deteriorating.

Against all appearances, Huila Department is not at peace. The pacts signed with the FARC are not being kept and insecurity is growing. This was stated today by the civic and union organizations ofthe department in a letter addressed to President Barco.

The regional leaders noted the increase of extortion which has become a threat for those who work in rural areas. The authorities are aware of 18 such cases, but the leaders stated that there are countless cases of extortion, which has become the way that the FARC and the National Guerrilla Coordinating Board finance themselves in that region.

The document mentions numerous municipalities that live under the threat of a violent occupation. It also reports the appearance of the 29th front of the FARC and of 31 cases of young peasants who have been recruited by the guerrillas. The most startling aspect of the document sent to the president is a list of 60 people assassinated so far this year.

The Huila leaders concluded their letter asking the government for a strong hand and for an increase in the number of men andthe funds for the units in Garzon and La Plata.

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CSO: 3348/12

CUBAN COMMENTARY ON ARIAS' BEHAVIOR TOWARD NICARAGUA

Havana PRISMA LATINOAMERICANO in Spanish Aug 86 pp 12-13

[Article by Gregorio Selser]

[Text] Even before taking office as president, Oscar Arias Sanchez outdid himself to annoy -- which is a nice way of saying "provoke" -- Nicaraguan Chief of State Daniel Ortega Saavedra.

He had every right not to invite him, along with other presidents in the region. Less acceptable is the fact that he resorted to unofficial ambiguities to explain -- poorly or not at all -- his lack of courtesy.

Whatever the case, it was obvious that he did not want to shake the hand of his neighbor and colleague amidst the early pomp of his government.

A second demonstration of the aggressive and hostile diplomacy was contained in his inaugural address, filled with deliberate references to the nature of the government of Nicaragua and the conduct of its domestic and foreign policy, something solely up to the people of Nicaragua to judge, in accordance with custom and practice in international relations.

A third step, which was actually a total blunder, was the text of the draft statement he had circulated, somewhat clandestinely, among presidents and representatives of the countries of the Contadora Group and the Support Group in an attempt to win their approval. This ill-conceived document was an attempt to ask the Nicaraguan Government publicly to hold municipal, legislative and presidential elections in successive stages, to be completed within a total period of 2 years from now, as a way to have its legitimacy recognized. In such a case, it would then have achieved "absolute democratization," including the dialogue with the "Contras."

This attempt at a gratuitous offense aimed at the neighboring government was thwarted simply because there was not a single president or representative asked to subscribe to the document who could even take it seriously. The botch was apparently the work of the new foreign minister, Rodrigo Madrigal Nieto, former editor of the ultra conservative daily LA REPUBLICA, which for years attacked the Nicaraguan revolution with vulgar lies and fabrications and defended the ARDE counterrevolutionaries. Madrigal admitted that the text

had in fact been circulated in the hope that it would be accepted, after LA NACION reported the episode.

Gonzalo J. Facio, an attorney for American banana companies who would occasionally leave his post to act as Costa Rican minister of foreign relations, complained about the attitude of rejection of the Support Group: "It is unfortunate that the democratic governments of the Southern Cone were not capable of putting aside their secondary resentment and complexes vis-a-vis the American superpower so as to assume their prime duty of democratic solidarity with the nations of Central America, as their Costa Rican host asked them to do." Another former rightist foreign minister, Bernd Niehaus, also criticized "the lack of a joint statement," meaning the one proposed by the brand-new president, Arias Sanchez. A third collaborator of LA NACION explained why he had to support the United States against Nicaragua: "We Costa Ricans are grateful and we know that our duty is to be beside the good friend from whom we receive so many favors, which keeps our economy afloat and which provides us with armed protection when we ask for it."

This outrageous intrusion of the new government of Costa Rica into Nicaragua's internal affairs was joined by another act of impudence on the part of Arias on 23 May, when he arrived in Guatemala to attend the presidential meeting in Esquipulas. Once again violating the standard of diplomatic discretion, he impugned the legitimacy of Daniel Ortega Saavedra's government in the most arrogant and provocative language. Referring to the paragraph in the projected Esquipulas Declaration establishing that "the five freely elected chiefs of state declare," Arias stated that the president of Nicaragua "is not the fruit of a free election" and asked "for a modification of that draft."

Aside from the fact that with this impertinence, Arias declared himself to be a judge of other's elections and in a position to rule on their legitimacy -- something not contemplated in the constitution of Costa Rica when it defines the powers and faculties of its presidents -- his conduct reveals a duplicity of judgment benefiting, by omission, his Salvadorean colleague Jose Napoleon Duarte, whose regime is vitiated by gross election violations even condemned by the Congress of the United States. These violations include the public accounting of millions in contributions into the campaign chests of the main candidates by the Central Intelligence Agency.

Furthermore, as the top leader of the National Liberation Party (PLN), a full member of the Socialist International (IS), Arias was to read the Stoltenberg Report, written by the Norwegian social democratic leader by that name, immediately after the November 1984 elections in Nicaragua.

The report, requested by the leadership of the IS, has the virtue of having been written by a team of men working in the field for a month before the elections. The document formulated certain observations about the election, but affirmed its correctness, honesty and clean and democratic conduct. The same view was expressed by another commission of observers, presided over by Britisher Lord Chitnis, also an eye witness who had also been an observer in the elections held in El Salvador in 1982 and 1984. His conclusions included condemnations of restrictions on the press, but from his comparison of the

elections in Nicaragua and El Salvador, Chitnis drew conclusions such as the following, which Arias deliberately ignores:

"In every relevant aspect, the situation in Nicaragua provided the necessary conditions so that all political parties might participate freely. This was not the case in El Salvador. Arturo Cruz, from the Democratic Coordinator, was free to return to his country and did so, for example, at the beginning of the campaign and participated in public meetings, without any perceptible fear for his life. In El Salvador, Guillermo Ungo, leader of the FMLN-FDR [Farabundo Marti National Liberation Front-Revolutionary Democratic Front], could not do so. As official observers from the British Government noted, Ungo "would have run a real risk of being assassinated by extremist terrorist elements of Salvadorean society which the government seems unable to control."

There are many more comparative details illustrating the greater freedom and democracy prevailing in Nicaragua for the 1984 elections than in El Salvador in 1982 and 1984. Arias chose to bless the latter and condemn the former -- seeking to cast doubt on their legitimacy -- with total arbitrariness, although with an understandable political and ideological bias in keeping with his well-known pro-American proclivity.

Whatever the case, what is most sad is that Oscar Arias "introduced his foreign policy by fostering discord" and that "embedded in his judgments on the election legitimacy of the Sandinist Government persists the idea, already old in political circles in the United States, that the government headed by Daniel Ortega remains in power against the will of the Nicaraguan people, an argument on which the most elaborate justifications of intervention in that Central American country are based." Arias thus "drops one more stone on the already rugged road of regional detente" and "whether he likes it or not, his comments (...) cast new doubt on the banner of neutrality and the willingness to negotiate of the Costa Rican Government."

The facts indicate Arias' current and future tendency. Nor do there seem to be any doubts about whether he likes it or not: His acts tighten the pacifying thread of the Contadora document and tend to expose the facade of Costa Rican neutrality once and for all.

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CSO: 3248/641

BRIEFS

LIQUID GAS PRODUCTION--Acting CEPE [Ecuadorean State Petroleum Corporation] Director Jaime Sanchez has stated that by 1988 Ecuador will be able to produce daily 800 tons of liquid gas from petroleum and export no less than 150 tons per day. He stressed that CEPE is giving emphasis to all industrialization programs, so that Ecuador can guarantee its domestic supply of petroleum by-products as well as export them. [Text] [Quito Voz de los Andes in Spanish 1230 GMT 21 Sep 86] /9604

GNP GROWTH RATE DECREASE--In a report on Latin America, the IDB has stated that Ecuador's 1985 GNP growth rate was lower than the 1984 rate as a result of the economic readjustment program introduced by the government at the beginning of 1985. According to the report, despite an increase in the harvests of traditional export products such as bananas, coffee, and cocoa, agricultural production was lower than in 1982 because of a decrease in the cultivation of basic foods, which were adversely affected by droughts. Shrimp production was substantially lower because of the lack of larvae. The expansion of the extraction sector reflected the efforts made by the authorities to increase oil production. A greater availability of raw materials counteracted the decrease in manufacturing production in the last 2 years. Likewise, there was an expansion in the construction sector after 2 consecutive years of contraction, as a result of advances in some public projects. [Excerpts] [Quito Voz de los Andes in Spanish 1130 GMT 8 Sep 86] /9604

CSO: 3348/18

CEREZO SEEKS APPROVAL FOR INCREASED BUDGET

PA051314 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 2 Sep 86

[passages between quotation marks are recordings of Guatemalan President Vinicio Cerezo]

[Text] President Vinicio Cerezo and Public Finance Minister Rodolfo Paiz Andrade today presented the budget proposal to the Congress. The draft budget, both the summarized and detailed versions, was received by Alfonso Cabrera, president of the legislative assembly, and by a group of deputies.

The budget totals 2,556,200,000 quetzales, which is slightly more than the gigantic budget the government approved for itself this year. The draft budget, seemingly written in a way so as to not be understood, states, however, that eight new embassies and two consultates will be created, presumably in socialist or communist countries.

The operational disbursements amount to 2,417,094,753 quetzales, although it is not clear whether the salary increases promised to the desperate government workers is included.

President Vinicio Cerezo tried to justify the increase in government expenditures during a press conference held at the legislative palace, following his meeting with the deputies:

[In progress] "..it is somewhere in the range of 700 million [currency not specified]. The budgets with the largest increases are those for health, education, agriculture, and the communications and public works ministries.

The budget for the defense ministry, almost the highest of the government, will not rank fifth among those with the highest amount allocated to expenses within the government. Cerezo Arevalo explained in this way:

"What we did was to adequately reorient the expenditures, but the Armed Forces are being given a sufficient amount for them to ensure security, as they have been professionally ensuring in the past. But we must understand that security is determined by a development process and the basic needs and satisfactions of the population. The amount of the defense ministry and government ministry budgets reaches 18 percent."

Cerezo Arevalo said that there would be no increase in taxes, but a change of existing ones. It was recalled that during the Mejia Victores government there was the attempt to disguise new taxes implemented on what was termed black Monday--8 April 1985--with the euphemism of a reorganization. Today, when Cerezo Arevalo was asked about new taxes, he used another term in his reply: modification of present loads.

"There are not going to be new taxes; there will be modifications made to them. There will be a reorganization, so that as medicines and basic consumption products increase in price, as we are going to lower the IVA [Value Added Tax], and other non-essential products will have their IVA increased in order to compensate [words indistinct]. You will find the details in the budget."

Sources at the Social Security Institute [ISSE] reported recently that the ISSE had a bureaucracy with 30,000 new positions. President Cerezo denied this.

"Well then the ISSE is lying because just in the ISSE [words indistinct] new jobs. This has increased considerably in many parts of the country. [passage indistinct]."

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CSO: 3248/2

CEREZO, UNAGRO LEADER ON GOVERNMENT EXPORT PLANS

PA291833 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 28 Aug 86

[passages within quotation marks recorded]

[Text] [Announcer] Today, the Guatemalan Government reaffirmed its decision to implement measures toward direct states intervention in Guatemala's foreign trade. It seemed that President Vinicio Cerezo was going to review those measures after he had met today with members of the Eastern Guatemala Coffee Growers Association [Asociacion de Caficultores del Oriente de Guatemala] (ACOGUA). The meeting was held in an ACOGUA building 47 km from the capital, near the El Pino Lagoon, Santa Rosa Department. Defense Minister General Jaime Hernandez Mendez, Agriculture Minister Rodolfo Estrada, Labor and Social Security Minister Catalina Soberanis Reyes, and representatives of the National Agricultural Union (UNAGRO) also attended the meeting.

At the end of the meeting, President Cerezo said that the topics of state control over Guatemalan exports and the hiring of the Swiss enterprise General Supervision Society (SGS) were discussed.

[Cerezo] "The basic objective of the meeting was to maintain and continue talks with the country's private agricultural sector. I believe that the results were positive. We discussed the diverse topics with a great deal of frankness and liberty. We talked about land problems, agricultural production, and wages. I think that the mechanisms of communication have been established and there is agreement on issues that can be positively resolved.

[Reporter] "UNAGRO's president said that the hiring of SGS is inappropriate. Did you discuss this topic? Will the SGS contract be cancelled?

[Cerezo] "We did not discuss this particular topic. They voiced their concern that this may mean one more step toward state intervention. We have explained that this will not be the case. Simultaneously with the hiring of SGS, we are going to expedite exports procedures. That enterprise will simply check invoices inside and outside Guatemala so relations become increasingly adjusted to the law and resources are returned to the country."

[Announcer] Cerezo added that the finance minister will talk with the leadership of the Coordinating Committee of Farming, Commercial, Industrial, and Financial Associations.

[Cerezo] "The finance minister will meet with them because they have some specific proposals and complaints regarding control mechanisms that may hamper exportation. We will listen to them. We are gladly going to accept whatever improvements we can make on the systems so they do not interrupt the flow of Guatemalan exports. However, the company has been hired. I think that in general terms, this will be positive for the nation. At any rate, this is temporary. The company's work will be finished next year after it has established a system that the state will regularly employ.

[Reporter] "Why was the private sector not consulted before establishing this system?

[Cerezo] "As you may recall, the hiring of this company was proposed since the economic reorganization program was introduced. At that time, nobody made any particular comments or strongly opposed it; so we [hired] the company. That was proposed and announced a long time ago."

[Announcer] David Ordonez, one of the UNAGRO leaders who attended today's meeting, said that his group is pessimistic about these government measures on exports.

[Ordonez] "I think that the government has heard that the private sector is insistently asking for a review, especially regarding the regulations--that is, to expedite the regulations. We basically feel that if the Government has created this control mechanism; so be it. However, when it realizes that things are not as they think, it will have to end this contract. It is very costly to the national budget.

[Reporter] "Is the president willing to hold a meeting before the regulations are known?

[Ordonez] "We did not discuss this. As president of the republic, and as a very busy person, he will surely tell the Finance Ministry and the Central Bank to handle this.

[Reporter] "The private sector is facing many problems, such as defining an increase in dairy and sugar production. Is there anything specific that may make the president change his stance not to raise the prices of staple products?

[Ordonez] "He did not tell the UNAGRO board of directors anything specific. We truly believe--and we partly agree with the president's government because the economy minister has repeatedly stated that prices must set by availability and demand--that no activity controlled by the state can be successful. That is just impossible, unless the situation is very advantageous.

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CSO: 3248/2

SUPREME COURT PRESIDENT CONTRADICTS CEREZO ON RIGHTS

PA151332 Havana International Service in Spanish 0000 GMT 13 Aug 86

[Report by Alvaro Ruiz from Guatemala City]

[Excerpts] Guatemalan Supreme Court President Edmundo Vazauez Martinez said here today that human rights is one of the most serious problems in the country. The past is something we cannot always forget, Vazauez said, referring to the problem of arrested people who are missing. He openly contradicted President Vinicio Cerezo, who is constantly advising people to forget the list of crimes perpetrated by military regimes. The country's highest judge added that anybody having a missing relative cannot simply foregt about him. He admitted that the endeavors by Mutual Support Group, GAM, for the reappearance of their relatives fully justifies its existence as a group. He noted that the humanitarian group's demand are fully and morally legitimate.

However, Vazquez Martinez remarked that the investigation by the special judge and the creation of the investigative commission are not mutually exclusive, as they play different roles. This invalidates the president's chief reason for not setting up the commission. GAM is demanding that, in addition to government and Supreme Court officials, the commission include members of that humanitarian organization and well-known international personalities like Adolfo Perez Esquivel, Nobel Peace Prize winner, and (Antonio Garcia Borrajo), president of the International Federation of the Rights of Man [Federacion Internacional de Derechos del Hombre].

As for the amnesty decree imposed by the military government of General Oscar Mejia Victores seeking to eschew the military's liability for the repression, the Supreme Court president stated that this does not constitute an obstacle to begin the investigations. Yet, he noted that after specific evidence is submitted, those responsible may use the amnesty decree. Also, GAM is demanding the repeal of the amnesty decree as a way of resolving the problem of the missing people.

To conclude, Vazquez Martinez acknowledged that so long as the status of the arrested and missing people is not settled in Guatemala, it will cast a long shadow over the current political process and the credibility abroad of the Christian Democratic regime.

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CSO: 3248/3

ESA THREATENS CEREZO RELATIVE WITH DEATH

PA130314 Panama City ACAN in Spanish 0126 GMT 13 Sep 86

[Text] Guatemala City, 12 Sep (ACAN-EFE)--The clandestine Secret Anticommunist Army [ESA] has threatened with death a relative of Guatemalan President Vinicio Cerezo who is the director of the Guatemalan Social Security Institute (IGSS).

The local newspapers today reported that Dr Roberto Rodriguez Montoya, director of the IGSS, "has been threatened with death by the ESA because a number of employees have been dismissed at the institute."

EL GRAFICO, which cited unofficial sources, asserted that the far rightist ESA has sent threatening message to the relative of the Guatemalan president.

After removing Dr Julio Penados del Barrio, brother of Msgr Prospero Penados del Barrio, Guatemalan metropolitan archbishop, one month ago, Cerezo appointed Rodriguez Montoya to the post of IGSS director.

According to the newspapers, ESA demands that Rodriguez Montoya "cease to dismiss employees to replace them with members of the ruling party, the Christian Democratic Party.

A police officer who asked not to be identified told ACAN-EFE that the national police will discreetly guard the IGSS director "because some kind of attack is probable."

ESA, which has eliminated revolutionary politicians and has been regarded as a paramilitary group, emerged during the government of Julio Cesar Mendez Montenegro, from 1966 to 1970.

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CSO: 3248/2

GAM ASKS MRS CEREZO 'NOT TO USE PEASANTS'

PA261546 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 26 Jul 86

[Text] Nineth Montenegro de Garcia, president of the Mutual Support Group [GAM], has asked Raquel Blandon de Cerezo, the nation's first lady, not to use peasants for political purposes because they have always been deceived, and it would be an injustice to repeat the actions of past governments. She emphasized that Mrs Cerezo should try to establish a relationship with the GAM and help it in its struggle, instead of seeking political prominence using Father Andres' thousands of peasants.

At its usual demonstration in front of the presidential palace, the GAM once more condemned the murder of Justo Rufino Reyes, a municipal labor leader, and expressed solidarity with the thousands of peasants of the southern coast who, united, are trying to get their demands on that which belongs to them-- the land-- met.

Garcia said that with his refusal to investigate the whereabouts of the missing people, President Cerezo does not want to take responsibility for the past, which is what he announced before he assumed office. But what seems unbelievable, Garcia said, is that he will not even take responsibility for the present in the face of an increasing crime wave which just yesterday claimed the lives of three people, in addition to the death of three teachers and one labor leader killed in the past few weeks.

Everything has a limit, she said, and the GAM will continue to demand that an investigating commission be created, or else we will take reasonable and firm measures. However, she did not announce what measures will be taken.

Regarding the judge who is investigating the writs of habeas corups presented by the GAM, she said that if he found some of the missing persons he should present them publicly, because the GAM has not been officially informed about any results and has not seen the people who allegedly have been found.

In conclusion, she said that they will not remain quiet when the OAS delegation comes to Guatemala in November; they will have the chance to report on the government's lack of understanding and the constant violation of human rights in Guatemala.

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CSO: 3248/3

'MUTUAL SUPPORT GROUP' SIMILAR TO GAM EMERGES

'GAMI' Issues Statement

PA042148 Guatemala City Radio-Television Guatemala in Spanish 1740 GMT 2 Sep 86

[Text] It was learned today that a new organization similar to the Mutual Support Group, GAM, which works to locate people who have disappeared or who have been kidnapped in recent years, has emerged in Guatemala. It is the Mutual Support Group=Indian Sector [Grupo de Apoyo Mutuo-Sector Indigena--GAMI]. The first indication of the existence of this group is the distribution photocopy flysheets stating the following:

Mutual Support Group-Indian Sector--GAMI

The GAMI emerges today because of the need to struggle for those of us who really represent the great majority persecuted and assassinated by the military governments. We have accompanied Companera Nineth Montenegro de Garcia [leader of the GAM] in her sorrow, but today we realize that she only struggles for her personal interests, permitting opportunistic politicians to demagogically join our demands. To this we must add the improper use of the economic resources from abroad.

Our demands are the same ones that led to the organization of the GAM. We continue the struggle, but this time clandestinely with the support of the Committee of Peasant Unity, CUC, real representatives of the Indian struggle.

Remember brother: There are 38,000 arrested or disappeared; most of them are Indians.

August 1986

Guatemala, Maya Republic

GAM Rejects 'Effort To Divide'

PA050051 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 2 Sep 86

[Excerpts] Nineth Montenegro de Garcia, president of the original Mutual Support Group, GAM, commented today on the apparent emergence of a similar organization.

[Begin Montenegro recording] [passage indistinct] I believe this is another of the many black campaigns against the GAM. It is an effort to divide us. Prior to this there were reports that we are communists and Marxists. Today we are again the victims of another campaign; this is an effort to divide us, to destroy the GAM's social bases.

Last Saturday, residents of San Martin Jilotepeque and [name indistinct] complained to us that Mrs Raquel Blandon de Cerezo, the president's wife, had visited the areas inquestion and said that from now on 50 quetzales, milk, and food would be given to each of the widows. She did not, of course, directly mention the GAM because [words indistinct] it would be too obvious. She did tell them, however, that they are widows and orphans and asked them to adopt an attitude of conformity. [end recording]

The GAM leader said that the government has offered a little help to the widows and orphans and to the people whose relatives are still missing, but she questioned the first lady's attitude.

Foreigners 'Infiltrate' GAM Meeting

Guatemala City PRENSA LIBRE in Spanish 19 Sep 86 p 2 PA

Official sources disclosed yesterday that several foreigners, Germans and North Americans--infiltrated GAM [Mutual Support Group] on Wednesday afternoon and were advising GAM members not to leave the National Palace's banquet room, where they were meeting with President Cerezo.

As it may be recalled, one of the infiltrators even interrupted the president during the meeting when he was answering questions from GAM members.

These official sources emphasized that they not only condemn the participation of foreigners in affairs that concern Guatemalans but that on future occasions, they will not be allowed to enter the palace.

Regarding this, military spokesman Captain Fernando Cifuentes Herrera stated yesterday taht GAM members are financed and guided by international organizations.

In an army communique, the armed institution stated that GAM sowed dissent and

discord among Guatemalans "in line with the advice of their international mentors."

The official sources that were consulted added that GAM has lost credibility since it marched down the streets of Guatemala City together with the Socialist Democratic Party headed by Mario Solorzano Martinez, thereby transforming the matter into something more political than truly humanitarian.

/9738
CSO: 3248/3

BRIEFS

DEPUTY FINANCE MINISTER REPLACED--Edgar Pape Yalibath, deputy finance minister, has been unexpectedly dismissed by President Vinicio Cerezo. He has been replaced by Francisco Pinto. It has been reported that Pape Yalibath will probably be appointed to another government post. [Summary] [Guatemala City Cadena de Emisoras Unidas in Spanish 1230 GMT 9 Aug 86 PA] /9738

TEXT OF SEAGA SPEECH TO NATION ON RELATIONS WITH IMF

Kingston THE DAILY GLEANER in English 11 Sep 86 p 27

[Text of address to Parliament and the nation on 10 September 1986 by Prime Minister and Minister of Finance and Planning Edward Seaga, presumably carried live by radio and television]

[Text]

Jamaica's relationship with the International Monetary Fund (IMF) goes back ten years when the first programme commenced under the last Government. The relationship was, to say the least, stormy, during the period up to 1980, when at that point the Government of the time discontinued its relationship with the IMF.

In 1981 Jamaica under a new Government once again resumed a relationship with the IMF as a result of an agreement to provide new funds to assist in the economic recovery of the country. Since then we have benefited from substantial funding by the IMF and we have made substantial repayments.

Central to any arrangement with the IMF is the agreement by both parties to make specific policy adjustments in the economy in order to achieve certain agreed targets of economic performance.

The JLP Government agreed with the IMF the course of policy changes which were required over the period 1981-85. These changes were essential to enable the country to re-build its near-bankrupt economy.

Let me remind you of the situation in 1980 and what had to be done to save the economy from collapse.

In the course of the 1970's we witnessed the running down of the Jamaican economy from a state of buoyancy and health to a point of near collapse, our foreign exchange surplus of some US$200 million was completely wiped out and a huge deficit of US$582.5 million left in place. In addition, the Government of the day exhausted all the revenues of the country on housekeeping or recurrent expenditure and when this was done, borrowed considerably from all sources, even printing vast sums of money at the Bank of Jamaica when there was no other available source of borrowings.

Excessive borrowing

Although there were many other negative features at that time —notably the virtual drying up of new investment, the increase of unemployment by 41%, and a crippling average rate of inflation of 22% over the period — the critical areas of damage were the complete wipe out of our foreign exchange reserves and the exhaustion of the revenues. Both of these led to excessive borrowings in the 1970's to make up for the loss of our own resources.

By 1980 the gap between wh we earned and what we spent, which was being closed by borrowing, had

grown to levels which the economy could not sustain.

Much has been written and said of the period blaming the dramatic increase in the price of oil for the shattered state of the economy in the 1970's. It is true that during that period the price of oil rose dramatically costing us US$1,013 million from 1974-1980. But it is equally true that the Bauxite Levy imposed as a result of the increased cost of oil resulted in bauxite proceeds totaling US$1,288 million during that period. Consequently, we not only covered the increased cost of oil but there was an excess of US$275 million in bauxite earnings during the period, all of which was fully used in expenditure by 1980.

Clearly the economy could not continue on a path of spending far in excess of what we earned, and if we think about it, neither could any individual run a household in which year after year he or she went on spending much more than earned, borrowing substantially year after year to close the gap. There comes a time when the lenders say, enough is enough: show us how you are going to deal with this problem:, how you are going to close the gap and restore your finances to a healthy state, or we will have to stop lending.

This is the state the economy had reached in 1980. Lenders had stoppd lending and as a consequence the Government turned to the Bank of Jamaica to print money. Who can forget the delegations that were sent abroad at that desperate time to sit and wait, in one instance spending two weeks in a boarding house playing draughts, waiting to pick up the cheque without which they dared not return home!

And who can forget that when they did eventually return the cheque wasn't sufficient to buy basic foods, other essentials, or spare parts to keep the stock of equipment going!

Recovery formula

With the change of Government in 1980, the critical focus of attention shifted immediately to how the new Government would once more put the economy on a strong footing. There was no secret as to how this had to be done; it is the same formula whether for a household or for a nation — and that is, cut expenses as much as possible and increase earnings as much as possible, thus closing the gap along the way.

Those critics who say that we did not follow this formula effectively in our first two years are quite correct. We allowed an increase in expenditure for imports in that period to replenish stocks that were virtually exhausted so as to enable equipment and machinery to run again and to put basic foods back on the shelves of the shops. Nor did we seek increased taxes or major expenditure cuts in that early period.

The imense period of anxiety that characterised the 1970's, the broken families and other disruptions that confused the country and created a sense of hopelessness, led in our view to a psychological state of mind that had to be addressed before we could undertake serious restructuring. To have imposed additional severe burdens on the backs of those who had already been bearing a back-breaking load would undoubtedly have dealt a fatally demoralising blow to the country.

But adjustments had to come. The huge financial gaps with which we emerged from the 1970's just could not conceivably be sustained. The extent of adjustment required, however, was made more severe as the country's major source of foreign exchange and a sizeable earner or revenue, bauxite, tumbled in terms of production in the onset of the recession which commenced in 1983 — the worst economic recession the world has seen in 50 years.

Unlike the early period of the 1970's when bauxite earnings substantially exceeded the higher cost of oil, the tables were now turned: we now had to meet the rising cost of oil with less and less bauxite earnings. The figures are telling. Between 1981 and 1985 oil imports cost US$1,198 million as compared to bauxite proceeds of US$532 million. In other words, in the 1980's it cost us US$666 million more to buy oil

than we realised from bauxite, as compared to the 1970's when we were more than able to cover the full cost of oil imports from bauxite proceeds, leaving, in fact, a surplus of US$275 million.

Targets to meet

Notwithstanding the devastating effect which the fall in bauxite proceeds had on our economy, we nevertheless proceeded with the process of adjustments to restore our precarious financial condition to a state of health.

The targets which we had to meet involve complex economic principles which admittedly are not always easy to understand, and which leave the policy changes required to carry out adjustments open to misunderstanding. And there are many examples of this problem.

Perhaps the simpliest way to portray what we set out to do is to cite the two most relevant and critical economic measures used to determine whether our financial position is improving or not.

We measure the gap in terms of our ability to earn our way in both our foreign exchange account and our domestic account. Failure to earn our way means more borrowings and, correspondingly, more and more of our future earnings set aside to pay off debt rather than take care of the country's needs.

Because the economic principles involved are complex, many people complain of difficulty in understanding the direction of the Government's strategies. So I would like to spend a brief moment to elaborate on the measures of our economic health by which we assess the successor failure of these strategies.

In dealing with other countries, all our exports of goods and our earnings from services, such as tourism and Free Zone manufacturing, as well as transfer of payments such as farm worker earnings and amounts received from relatives abroad, collectively form the total of our earnings in foreign exchange. On the other hand, our imports of goods including oil, together with payment for services such as travel, repayment of interest on loans, dividends on profits, and so on, are our expenses.

The difference between our earnings and expenses produce either a deficit or surplus known as the current account deficit or surplus. This figure whether a deficit or surplus is then measured as a proportion of the total production of the total production of the economy, the gross domestic product or GDP.

Deficit

In 1980 the current account deficit was 9.1%, and this year is expected to reach 5%. Indeed in the three year programme which we have prepared and put to the IMF, this deficit is expected to be virtually wiped out by the third year 1988/89.

Needless to say, that would be a watershed in the state of health of our financial accounts as we have not attained the stage where we succeeded in wiping out our current account deficit since 1963, when we had a small surplus.

In the case of our domestic account, we measure the state of health by the differenc between what we spend and what we earn. This figure, called the fiscal deficit, again as a proportion of GDP, stood at 17% in 1980. Last year it was reduced to 5.2% and this year appears to be turning out at between 3%-4%. In our programme before the IMF we are targetting no more than 2% by the third year.

The fact is that based on the performance over the past two years, and the direction charted to 1988/89 we could restore the basic health of the country's financial posiion to the level of 1972, despite the enormous reduction of resources caused by the fall-out in bauxite earnings in this decade.

To be able to achieve this means that Jamaica could begin the 1990's with a strong position for sustaining meaningful growth with the problem of debt repayment reducing in impact and importance year by year as a result of the strategy we are now pursuing. In this way we will virtually eliminate our deficits by paying our way more and more, and by less and less reliance on external borrowings.

The programmes of adjustment which achieved these dramatic results were worked out with the IMF

and World Bank and implemented between 1981 and 1985. The results, of course, have not been achieved without pain as I have indicated from time to time when the programmes were being implemented.

To a large extent the public, guided by the media, have tended to view the pain of the dislocations which result from the adjustment process as the problem, and to ignore the fact that the real problem is the unbearable size of the financial gaps we inherited in 1980. These had to be corrected as a matter of sheer survival and regretably this had to be done by means of adjustments which were undoubtedly painful.

The lay-offs, the cuts in hospital and educational services, the increase in prices, taxes and interest rates were all part of the price which we paid to put the finances of the country once more on the sound footing on which it has now begun to stand.

I assure you these steps were not taken because as some see it, "the Government is wicked" or "the Government doesn't care for poor people," as the propagandists so readily proclaim, but because the Government has the unenviable, thankless but inescapable task of trying to set right in the 1980's what went wrong in the 1970's. Failing that, we face a decade of disaster in the 1990's in which the poor will suffer even more as whatever Government may be in power then finds it unavoidable to use even harsher measures to deal with a more hopeless situation.

We have this year reached the stage where the major adjustments are behind us and as a consequence so too is much of the pain of adjustment.

We actually reached that point at the end of last year and it was for this reason that I held discussions with the IMF in November of last year and in January of this year to try to convince them that we had made the necessary adjustments and that as a consequence we would not require specifically any further devaluation to adjust the value of the Jamaican dollar.

Persuaded IMF

I persuaded the IMF that the Government of Jamaica should follow its own strategy over the rest of that financial year to March 31st and we would meet the targets set out in our agreement. We did precisely that and the result is there for all to see.

Firstly, we would have succeeded in meeting the tests for March 31st if the World Bank had not withheld at the last minute US$40 million which we were programmed to receive but which the bank suddenly decided to tie to the outcome of discussions on the report of the tripartite mission which could not be concluded in time.

Secondly, we have continued beyond March on the same course of a stable dollar, since there is no IMF agreement, and the result shows that based on our strategy of maintaining a stable exchange rate we have had the best six months out-turn in the economy since 1981. Interest rates have fallen, the inflation rate has fallen, we actually had an hitherto undreamt of current account surplus in the balance of payments. The fiscal deficit is falling, the economy showed growth and the stock market index rose above the magic 1000 level for the first time, reaching a level more than ten times higher than it was in 1980.

You will recall that I asked the IMF, the World Bank and the US-AID to send a tripartite mission to Jamaica to work out a co-ordinated programme which would enable us to shift from austerity type strategies promoted by the IMF to the growth strategies promoted by the World Bank.

We maintained, as I have said, that we had more or less completed the course of austerity adjustments and that it was time now to shift the economy to a path of growth.

Fresh look team

The tripartite team, or fresh look mission as it came to be called, submitted a report in April which called for a continuation of the same austerity programme of the IMF. We studied the report, noted that it had

many errors of fact and assumptions which led to wrong conclusions. The technical team or the Government prepared a detailed response which punched so many holes in the report that it was eventually abandoned by the IMF, World Bank and A.I.D. as a basis for any new strategy for Jamaica. It has been relegated to use as a background document.

In its place the Government prepared a three-year programme which was submitted to the IMF as the basis for discussion of a new IMF programme. This is the programme that is being considered, the discussions on which were concluded only five weeks ago in early August with an IMF team in Jamaica.

At that time, only one main point separated the Government and the IMF, that is, a requirement from the IMF for a further 10% devaluation which would take the rate of exchange to $6.05, I positively refused to take this course just as I had done in my discussions with the IMF earlier in January, basing my argument on the fact that we had already reached at $5.50 a competitive rate of exchange.

The fund argues that because the rate of exchange climbed to over $6.50 for a short time last year the average rate for 1985 was $5.63. This in turn when compared to a stable rate of $5.50 this year would mean that the Jamaica dollar had strengthened, which was not the case.

We have argued that this difference has in part been compensated for by the depreciation of the US dollar, to which our rate is tied, against European and Japanese currencies and that in effect we have devalued against these (with great benefit to US in bananas, sugar, cocoa, citrus, pimento and coffee prices). To correct for the American market we propose to introduce a rebate scheme for exporters which will refund export duties on raw materials and the import content of packaging so as to put our exporters on the same footing as producers in the United States. This would successfully close the 10% gap without using the technique of devaluation. The IMF so far has not been able to shake this argument.

Devaluation

The more fundamental point, however, is that we have maintained that over the 18 or 24 month life of any new agreement between the Government and the IMF we do not intend to use devaluation as a technique for further adjustment as this technique has been used already to the fullest extent possible in Jamaica and further devaluation would only serve to destroy the base of what has already been gained.

The Bank of Jamaica and Ministry of Finance and Planning team are now in Washington in discussion with the IMF pointing out alternative routes which can be taken and it is expected that these arguments will resolve themselves within two weeks.

The Government considers that:
(1) it has successfully completed the programme of structural adjustment of the Jamaican economy;
(2) it is succeeding in stabilising our financial accounts by eliminating or reducing to minor levels which can be easily sustained both the current account and fiscal deficit;
(3) it is successfully deregulating the economy by removing licensing controls and other bureaucratic impediments.

We are, therefore, in the forefront of countries which are poised to achieve meaningful growth in the economy.

We do not therefore intend to be tied into any agreement which requires more of the same austerity programme of the past. We recognise that there is more fine-tuning to be done and loose ends to be tied up in respect of the major adjustments already undertaken. But any programme which is essentially focussed on a range of further austerity measures will not gain our support as we have established that we have already carried out such austerity measures as were necessary to enable the economy to be firmly set on a path of restructuring and recovery.

Contingency plan

To this end, as I have earlier advised, we have prepared a contingency plan to adequately deal with the situation should there be no

agreement with the IMF on how to substitute other effective measures for a devaluation path. Under the contingency plan the economy will obviously not perform to the same extent that the normal programme will, but at the same time, it contains no fearful changes.

In this presentation, I have now brought the nation up to date on this vital issue at the earliest opportunity bearing in mind that the Government's own position was only confirmed by Cabinet last Monday, nine days ago.

I will report to the nation further when the talks are finalised.

Looking back over the better part of the past six years, I accept that this Government has had to take some hard decisions, and to implement some harsh measures. Equally, it has to be recognised that once we accepted the necessity to take such decisions we did not resile from shouldering the responsibility when any other alternative course of action would ultimately spell doom and disaster for the nation.

And so when in the fullness of time the Government comes to be judged by the people on the basis of its performance, I have every confidence that Jamaicans will look at our record and take fully into account both the tough measures which we have had to employ and the new gains which are increasingly benefiting the Jamaican people, that they will see the link between the two, and that they will be guided accordingly in their minds.

No previous Government had had to tackle with such resolve such fundamentally difficult problems with which we were called upon to grapple, even when they were not of our making. We have done so with courage and with integrity of purpose, and in due course we will be able to establish that we have done so with success.

Word for Jamaicans

I conclude with a word for the Jamaican people who continue to make me and my colleagues intensely proud. These are the people who have considered the painful happenings of these last few years, sometimes murmuring or grumbling, sometimes crying out in pain, but never putting down the burden nor surrendering the will to continue.

This is why the nation, having come this far in the journey, will succeed in staying the course to taste the fruits of its well earned success.

The words of Theodore Roosevelt speak of these men and women of great heart and courage who have borne pain and defied odds, always striving with great will and purpose when he says:

"It is not the critic who counts, not the man who points out how the strong man stumbled or where doer of deeds could have done them better. The credit belongs to the man who is actually in the arena; whose face is marred by dust and sweat and blood; who strives valiantly; who errs and comes short again and again; who knows the great enthusiasms, the great devotions, and spends himself in a worthy cause; who at the best knows the triumph of high achievement; and who, at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who know neither victory nor defeat."

/9317
CSO: 3298/005

TRIPARTITE GOVERNMENT, BUSINESS, UNION COMMITTEE ESTABLISHED

Kingston THE DAILY GLEANER in English 20 Aug 86 pp 1, 3

[Text]

A tripartite Labour Advisory Committee (LAC), including representatives of government, employers and trade unions, which will advise the Minister of Labour, the Hon. J.A.G. Smith, on labour relations, was launched by the Minister yesterday.

The Committee was inspired by discussions between the Minister and both labour and employers concerning industrial relations problems in the country, and the need to maintain a level of harmony in those relations. It replaces the Labour Advisory Council of the 1970s which, according to Mr. Smith, had outgrown its terms of reference and had not functioned since the late 1970s.

Members of the Committee are: Mr. Smith, chairman; Mr. Probyn Aitken, Permanent Secretary in the Ministry of Labour; vice-chairman, Mr. Anthony Irons, Director of Industrial Relations at the Ministry; Mr. Gresford Smith, deputy director; Mr. Lascelles Beckford, BITU's vice-president; Mr. Lascelles Perry, NWU's Island Supervisor; Mr. Hopeton Caven, TUC's General Secretary; Mr. E. Lloyd Taylor, JALGO's General Secretary; Mr. George Phillip, President of the Jamaica Employers Federation; Mr. Victor Harms, Industrial Relations and Public Affairs Manager at Seprod; Mr. Barry Robinson, Shell's Personnel Manager, and Mr. Sam Tyson, former Personnel and Industrial Relations Manager at Alcan.

The Minister said that appointment of the Committee was another step on the "well charted" course which would, hopefully, improve the country's industrial relations climate. It was a fledgling one which, hopefully, was going to grow in "fibre and sinew" to become a permanent institution commanding respect in the very highest forums.

He said that it would be a vehicle to assist in maintaining a non-controversial atmosphere in labour issues that needed to be dealt with, so that a tripartite look could be taken of issues and advice passed on to him.

There was a difference between the Committee and the old Labour Advisory Council, he said, in terms of its composition and terms of reference. The Committee would have greater flexibility than the old Council. He thanked both the unions and the employers for the peaceful and responsible attitude they had taken in industrial relations, recently, and the staff of the Ministry for equipping themselves very well in the national interest.

After the opening speech by the Minister, the Committee retired to its first private meeting.

/9317
CSO: 3298/005

GOVERNMENT NEEDS LOAN OF $1 BILLION TO MEET SALARIES

Port-of-Spain DAILY EXPRESS in English 11 Sep 86 p 1

[Text]

GOVERNMENT has approached the local banking sector for a loan of some one billion dollars.

The *Express* was reliably informed yesterday a government negotiating team had approached at least two banks, seeking to raise the money, reportedly to pay government wages and salaries, including salaries in the State-owned enterprises.

It is understood the negotiations team includes Permanent Secretary, Finance Ministry, Ainsworth Harewood; Controller of Accounts, Dean Maharaj and Permanent Secretary in the State Enterprises Ministry, Lenny Farfan.

Preliminary discussions have been held with both National Commerical Bank and Republic Bank Ltd, but the results of the negotiations are not yet clear.

In his Independence Day Message, Prime Minister George Chambers, said the collapse in oil prices had resulted in a significant shortfall in government revenue this year. The Prime Minister quoted a figure of just over one billion dollars.

Political Leader of the National Alliance for Reconstruction, A.N.R. Robinson, also told a political meeting several weeks ago he was aware the Government was negotiating to raise between $700 million and $1 billion.

Last Monday National Union of Government and Federated Workers secretary, Selwyn John, reported at a media conference, hosted by the union, that daily-paid workers in several government ministries had not been paid over periods of between one and five fortnights.

He pointed to situations at Aripo Livestock Farm where, up to Friday, workers had not been paid for three fortnights; the Northern Reafforestation Project; the Mt Hope Medical Complex; the Chaguaramas Development Programme; drainage workers at Guayamere and at the Royal Botanic Gardens.

A senior official at the Royal Botanic Gardens acknowledged that a fortnight's wages were outstanding.

It was confirmed by an official at Aripo Livestock Farm that workers had been paid last Friday after they had gone without three fortnights' pay.

/9317
CSO: 3298/007

OWTU SEEKS REPEAL OF INDUSTRIAL RELATIONS ACT, NEW CODE

Port-of-Spain DAILY EXPRESS in English 8 Sep 86 p 1

[Text]

THE OILFIELDS Workers' Trade Union (OWTU) has called on Prime Minister George Chambers to reconvene Parliament for the purpose of repealing the Industrial Relations Act and introducing in its place a comprehensive labour code that guarantees the rights of all parties in industrial relations.

The OWTU appeal was made in a petition to the Prime Minister which charged that employers had adopted an anti-worker attitude, "no doubt reinforced by what they perceive to be their position of strength vis a vis the trade unions given the state of the economy."

The union, pointing out that while there have been only six strikes in the past 32 months, there have been 22 lockouts by employers, said that if Parliament was unable to reach agreement on a labour code it should, at the minimum, amend existing legislation as to:

- Forbid an employer from hiring any worker during the course of a strike or lockout;
- Forbid employers from contracting out any part of their operations or production functions;
- Outlaw individual contracts served during strikes or lockouts.

The OWTU also said that there should be no special squad/paramilitary squad of police or army intervening in industrial disputes.

The union said employers were using the current economic crisis "to extract the last drop of blood from the people.

"This is seen, for example, in the way the employers cynically manipulate the growing reserve pool of unemployed persons eager to find work."

/9317
CSO: 3298/007

FORMER TAPIA CHAIRMAN LLOYD BEST SCORES NAR METHODS

Port-of-Spain DAILY EXPRESS in English 12 Sep 86 p 2

[Text]

FORMER Tapia chairman, Lloyd Best, has charged that the National Alliance for Reconstruction's (NAR's) "systematic failure to negotiate successive decisions among its component units" threatens the party's chances in the general election.

In a letter, inviting active Tapia people to a meeting in Tunapuna last night, Best contended this lack of negotiation limited the NAR's capability, and "may well prevent it from committing its adherents to the work of reconstruction."

Best said he had made it clear the NAR as it now stood did not satisfy his own "minimum requirements."

"In the event," Best added, "I have felt bound to reject the proposal that I seek to be candidate for the impending general elections or that I consider or anticipate serving the Executive —whether in government or party."

Asked about Best's statements, NAR leader, Ray Robinson, said yesterday he knew about the letter, but could not comment on it since he "didn't know enough about its purpose or intent."

"But there is a policy of free and frank discussion in the NAR on a structured basis," Robinson observed. "We have offered the opportunity to all, both party members and the public, to discuss the contents of our draft *Platform for Change*, and the party's National Council, after fruitful discussions on it, has empowered a group to receive further submissions and to discuss the issues with the people making these submissions."

Several hundred copies of the NAR's draft policy document were distributed to the public, and the party met over the weekend of August 23 and 24 for comprehensive discussion of it.

Last night's meeting comes in the wake of previous comments made by Best on the structure of the NAR and reaction to them, as well as reports of dissatisfaction over the NAR's choice of candidates in some constituencies.

But in his letter, Best insisted he and others were not trying to revert to the "old separate status of the Tapia House Movement," but simply doing the "very practical and entirely legitimate thing of getting together for a talk for the simple reason that such opportunities are not provided by the unitary party as it now operates."

The meeting was to take place at the headquarters of the Trinidad and Tobago Institute of the West Indies, St Vincent Street, Tunapuna.

/9317
CSO: 3298/007

PAPER CITES NAR CONCERNS OVER MP'S DRUGS CONNECTIONS

Curepe THE BOMB in English 29 Aug 86 p 5

[Text]

THE NAR is planning to smoke out Opposition Member for Tabaquite, Nizam Mohammed, because of his involvement with south drug baron Dole Chadee.

With elections right around the corner, the NAR is reported to be taking no chances with this burning issue of drugs.

Over the past few months, the baldhead Nizam's name has been constantly bandied about in connection with the Scott Drug Report, out of which Police Commissioner Randy Burroughs has been charged.

A spate of rumours about Nizam has been making the rounds in every nook and cranny of the country, and they all have to do with his involvement with Dole Chadee, the notorious drug dealer from Piparo.

On several occasions over the past few years, Nizam, a lawyer, has appeared as defence counsel for Chadee in drug-related charges.

And while the drug kingpins of San Juan, Naim 'Naya' Ali and Teddy "Mice' Khan are right now in Golden Grove, making a jail for drugs, Chadee has been free to carry on his vicious trade, destroying the youth of the nation in the process

Nizam's frequent associate in the defence of Chadee has been Vernon De Lima, the well-known counsel, who shares in the hundreds of thousands of dollars, Chadee has been dishing out in legal fees.

Sources within the NAR told the BOMB Nizam's involvement with the defence of Chadee has been a source of great concern for them.

While as a lawyer, Nizam is legally and technically entitled to hold a brief for anyone, the NAR believes by his actions, Nizam has displayed a lack of integrity, morality and conscience as a politician and a lawmaker.

They say he is morally, ethically and philosophically wrong to be 'dealing up' with Chadee, when as a politician, he goes into Parliament to enact laws to fight against the scourge of drugs.

Nizam is therefore wearing two hats — one as a self-righteous MP and the other, as the defender of Chadee.

The opposition to Nizam from hard-line and grassroots NAR

supporters is increasing daily.

They are saying he is becoming an embarrassment to the party and the PNM will make mincemeat of them simply by calling Nizam's name together with Chadee's — rightly or wrongly.

Chambers has already started making his image as the man to clean out drugs in this country and the fly in the ointment for the Opposition is obviously going to be Nizam.

Nizam, who is a vice-chairman of the NAR together with Clive Pantin, is also acutely aware of this, because he himself publicly spoke about 'false rumours' about the drugs issue directed against the NAR.

This was at the constituency conference of Kelvin Ramnath's Couva South held last Friday night (August 22) at the Reinzi Complex, Couva.

An obviously worried Nizam told the packed gathering.

"I would like to call for the release of the Drug Report to clear the names of certain prominent individuals at the helm of the NAR who our enemies are trying to smear.

"We shall not fall under false rumours. We shall not stumble in our efforts to remove the PNM."

Earlier that night, when the hundreds of people were gathering in the huge Reinzi Complex Hall, one of the hottest subjects being talked about by people was the Drug Report, and Nizam's name was being called freely by anxious delegates.

To make matters worse, as if to reinforce the fact that the NAR is going to make drugs a major issue in the coming elections, Clive Pantin, who addressed the gathering, dropped his pre-arranged subject of address and spoke about drugs and the menace of cocaine.

Pantin told his spellbound audience that "our estimate is that there are 15,000 cocaine addicts in the country" and that Drugs is "Number One Enemy in Trinidad and Tobago."

And the brother of Archbishop Pantin added pointedly: "We in the NAR will appeal for help to anybody who is in the cause of driving drugs out of the nation."

With this tough stance by the NAR, baldhead Nizam will certainly have a hard time explaining to party officials and to voters why he defended Dole Chadee in the first place!

Nizam has already started mobilising support from his partners in the ULF, because at last Friday's conference, Ramnath let it be known that "there is a special place for Nizam in the hearts of Couva South, where he has worked hard for the last eight years."

The BOMB is telling Ramnath one time that this is a crucial matter which he had better steer clear of, just as his leader, Basdeo Panday is doing.

When the blows start to fly, Ramnath and Nizam's other defenders could get caught in a backlash of uncontrollable proportions.

The BOMB's advice to them is:

If Nizam could defend Dole Chadee, then he could defend his own cause in the NAR.

But the way things are looking, it seems another term in Parliament and God's face are two things the baldhead Nizam will never see.

/9317
CSO: 3298/007

DRUG SMUGGLING PROMPTS ICACOS 'POINT OF ENTRY' PROPOSAL

Port-of-Spain DAILY EXPRESS in English 12 Sep 86 p 31

[Text]

THE illegal drug and smuggling trades reportedly flourishing in the south western peninsula have forced the Ministry of National Security to propose the establishment of a point of entry at Icacos.

This was disclosed by Pt Fortin parliamentarian Cyril Rogers in an interview at his Pt Fortin office earlier this week. Rogers said that the Cedros Fishing Cooperative had made the suggestion several times before and definite plans were now afoot to implement it.

According to Rogers the Ministry had located a site adjacent to the Constance Estate at Icacos Pt for the proposed point of entry. He said the Customs and Police presence at Icacos will not only deter illegal activities but serve as a coordinating agency with the Trinidad and Tobago Consular Office recently opened at Tucupita in Venezuela. Rogers said that a point of entry would discourage contraband activities.

In reply to a question, Rogers said that he had no "hard evidence" of drug trafficking at Cedros/Icacos but at the same time people could point out known traffickers in the area. However, Rogers said he could not dispute the fact that the area was a transit point for drugs mainly because of its proximity to the Venezuelan mainland and the unprotected coastlines in this area.

He hastened to point out however, that a police patrol boat was stationed at Trinmar to make periodical checks in the Gulf.

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POLL SHOWS MARKED DROP IN SANGUINETTI'S POPULAR SUPPORT

Montevideo BUSQUEDA in Spanish 28 Aug 86 p 40

[Text] Montevideans' approval of the administration of the president of the republic showed a considerable decline during July, according to a poll taken for BUSQUEDA by the firm Consulting Teams. The main cause for this change of opinion, according to the analysts in the polling firm, is the issue of "retirement and pensions"; because the greatest amount of disapproval appeared among the older persons polled. It should also be noted that the different public opinion tendencies in the capital, based on July's poll, do not evince any discrepancies insofar as the political map of the November 1984 election results is concerned.

Following is the report, with its respective charts, provided by Consulting Teams:

The July polls indicate a major setback in Montevideans' assessment of President Sanguinetti's administration. The difference between those who "approve" and "disapprove" of his administration amounted to 22, the lowest point since the beginning of the current presidency.

The decline in the approval/disapproval index is 9 points in comparison with the previous measurement in June. As Chart 1 indicates, this movement of the index is of the largest size that has occurred in a single month; a fact which prompted the Consulting Teams analysts to attempt to locate more accurately the factors explaining the phenomenon. "A change of this suddenness does not usually occur if there are no concurrent political events to arouse more or less intense reactions among the public. The analysis of the data suggests that Sanguinetti's decline is associated with the issue of retirement and pensions; because the loss of support occurred far more intensively among the population over 50 years of age than among the younger population."

The information supporting this analysis was gathered by the firm Consulting Teams between 7 July and 4 August of this year, querying 800 Montevideans. The data for April, May and June were procured by the same company, using identical procedures, and the same number of cases.

The Older, the Less Approval

Chart 2 shows the changes that occurred in July from June on the index indicating approval/disapproval of the Sanguinetti administration. This index disregards those who expressed neutrality, and gauges the difference between those who claimed to "approve" and those who said that they "disapproved" of what the president had done.

It was noted that, considering the entire population, Sanguinetti has lost 9 points, moving from -13 to -22; but that this drop is much sharper among the older population: a 28 point loss among those between 50 and 59 years of age (from + 11 to -17), and 14 points among those over age 60 (from + 12 to -2).

According to the Teams analysts, these figures are highly significant: "There has always been a high degree of correlation between age and the tendency to approve of the president's administration. During July, for the first time, Sanguinetti received "negative approval' from those over age 50 who, up until then, had always judged his administration 'positively.' The change which occurred between June and July, which was far more acute among seniors, cannot be explained without including in the analysis some incident that has affected them more intensively than those of younger age. And, given the dates, this event is clearly the executive branch's position in the discussion on rates of increase in retirement and pensions."

The Older Blancos in Particular

Considering the entire polled population, Sanguinetti lost 9 points, but that drop varied according to the political affiliation of those queried, being far sharper among the Blancos than among the Broad Front members. The Colorados, on the other hand, slightly raised the approval index, moving from + 39 in June to + 41 in July.

These data, which appear on Chart 3, seem to indicate that the most substantial change occurred among the Blanco voters over age 50, and that it is the change in their position, in very sizable proportions, that explains the drop in the general index on approval of the Sanguinetti administration.

The Broad Front voters are still far more severe in their evaluation than the Blancos (-72 versus -39), but it was the latter who, in July, changed their assessment to the largest extent, giving Sanguinetti 28 points less than during the previous month.

The retirement issue does not seem to have had the capacity to change the support from the Colorado voters, but it does seem to have had a considerable effect among the older Blancos who, up until then, had evaluated his administration "acquiescently."

The Political Map

According to the Teams analysts, these shifts in the public opinion indexes do not warrant the inference that the political map of Montevideo is changing. "These negative balances in the assessment of the president's administration are no 'more negative' than the election results. On Chart 4, a comparative analysis is attempted between the electoral support, gauged as the percentage of those who did and did not vote for him, and the evaluation of his administration, gauged as the proportion of those who do and do not approve of him. This analysis is very far removed from having the capacity for electoral prediction; but, along general lines, it shows that there are no spectacular changes on the political scene."

Chart 1: The President's Administration

	April	May	June	July
1. Approve	30	28	29	25
2. Neutral	23	30	26	24
3. Disapprove	41	37	42	47
4. Don't know, no answer	6	5	3	3
Total:	100	100	100	100
Net balance (1-3)	-11	-9	-13	-22
Change from the previous month	-	+ 2	-4	-9

Chart 2: The President's Administration. Net balance of approval/disapproval based on age bracket

Age	June	July	Change
18-29	-30	-26	+ 4
30-39	-43	-43	0
40-49	-16	-22	-6
50-59	+ 11	-17	-28
60 plus	+ 12	-2	-14
All	-13	-22	-9

Chart 3: The President's Administration. Net balance of approval according to vote in 1984

Vote in 1984	June	July	Change
National Party	-11	-39	-28
Colorado Party	+ 39	+ 41	+ 2
Broad Front	-67	-72	-5
All	-13	-22	-9

Chart 4: Support/Non-Support for Sanguinetti based on electoral and opinion indicators

	November 84	April 86	May 86	June 86	July 86
Electoral indicator	36	-	-	-	-
"Approval of administration" indicator	-	42	43	41	35

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GOVERNMENT FREEZES PRICES OF STAPLE GOODS

PA181602 Caracas Television Service in Spanish 0000 GMT 18 Sep 86

[Excerpts] Merchants who increase the now frozen prices of staple goods will be taken to the criminal courts. At the end of the weekly cabinet meeting, Development Minister Gustavo Mirabal Bustillos said that this decision was made by the executive. He said that yesterday he and Agriculture and Livestock Minister Felipe Gomez Alvarez analyzed the situation in general and decided to freeze the prices of all staple goods subject to regulation. An increase in the prices of manufactured articles, especially those for producing food for mass consumption, and for essential services, is not authorized. Therefore, the number of inspectors of the Superintendency of Consumer Protection will be increased to enforce this decision of the Venezuelan executive. Mirabal Bustillos emphatically stated that the current regulations will be strictly enforced against unscrupulous merchants who violate this decision.

Meanwhile, the confederation of Venezuelan Workers [CTV], through its president, Juan Jose del Pino, supported the executive's decision to freeze the prices of various staple goods. This support was expressed at the end of the meeting of the CTV executive committee held to analyze the draft of the labor law amendments and the status of the collective contract of government workers.

CTV President Juan Jose del Pino told the press that the freezing of the prices of several products in the family basket announced by Development Minister Mirabal Bustillos is one of the demands the CTV has been making. He said that this demand was included in the economic document the CTV gave to the Venezuelan president at Miraflores Palace yesterday. In any case, Del Pino said that the labor sector will be keeping a close watch for any violations by unscrupulous merchants.

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BRIEFS

MID-YEAR SURPLUS--According to figures obtained from the Central Bank, Finance Ministry, and other reliable sources, the Central Government collected 61.128 billion bolivares in revenues and spent 58.364 billion bolivares during the first half of 1986. Therefore, it registered a 2.764 billion surplus. [Summary] [Caracas EL UNIVERSAL in Spanish 3 Sep 86 p 2-2] /9604

RECORD SUGAR PRODUCTION--Agriculture and Livestock Minister Felipe Gomez Alvarez has announced that Venezuela's sugar production for the year is more than 520,000 tons, a record for the country. [Summary] [Caracas EL UNIVERSAL in Spanish 9 Sep 86 p 2-2] /9604

INFLATION RATE REPORT--Venezuela's Central Bank has reported that in the past 7 months the inflation rate has risen by 5.1 percent. The sharpest rises were reported in May, June, and July. [Summary] [Caracas EL NACIONAL in Spanish 16 Sep 86] /9604

INTERNATIONAL RESERVES--Caracas, 28 Sep (EFE)--According to the latest figures released by the Central Bank of Venezuela, Venezuela's international reserves have been reduced by $1.629 billion so far this year. At the end of August, Venezuela's international reserves were $12.117 billion. Local observers say the decrease is due to the substantial fall in petroleum prices. [Summary] [Madrid EFE in Spanish 1154 GMT 28 Sep 86] /9604

PDVSA PURCHASES STOCKS OF U.S. OIL COMPANY--The agreement by which PDVSA [Venezuelan Petroleum, Inc.] has purchased 50 percent of the stock of Citgo Petroleum Corporation from Southland Corporation was signed yesterday in Caracas. It is in keeping with the policy of internationalizing the country's oil industry. This agreement for the purchase of 50 percent of Citgo's stock will be followed by other agreements of an administrative nature, notably a supply agreement. In addition, the bylaws of the corporation will be amended to give PDVSA parity representation in and to assume the position of president of the company's council--Chairman of the Board [last four words in English]. [Excerpts] [Caracas EL NACIONAL in Spanish 16 Sep 86 p D-2] /9604

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